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Queen's Silver Jubilee

The celebration of the Queen's Silver Jubilee reached its height in Britain on 7 June when an estimated one million people watched the Queen and the Royal Family drive in state through the centre of London to attend a thanksgiving service in St Paul's Cathedral. Afterwards, the Queen and the Duke of Edinburgh talked to people in the crowds as they walked to the Guildhall where the Queen spoke on the subject of the Commonwealth.

Among the guests at the thanksgiving service and the Guildhall luncheon were many Commonwealth leaders, in London to attend the Commonwealth heads of Government meeting which began on 8 June. In her speech, the Queen thanked all those in Britain and elsewhere in the Commonwealth for the loyalty and friendship that had given her 'strength and encouragement' over the pas 25 years.

On what was a public holiday in Britain called especially to mark the Silver Jubilee, crowds of people greeted the Queen and the Duke of Edinburgh as they drove from Buckingham Palace to St Paul's in the golden state coach which took the Queen to her coronation in 1953. The thanksgiving service, in which an address was given by the Archbishop of Canterbury, was officially described as 'A form of prayer and thanksgiving to Almighty God commemorating the blessings granted to the Queen's most excellent Majesty during the 25 years of her reign'.

Throughout the country, the day of celebration was marked by Silver Jubilee festivities organised locally, mainly by voluntary effort. The Jubilee has also been commemorated by the launching of at Silver Jubilee appeal by the Prince of Wales, directed towards giving young people financial assistance for community and other activities.

On 8 June, thirty thousand people from all walks of life received the Queen's Silver Jubilee medal, a personal award from the Sovereign for services given throughout the Queen's reign, or for work particularly connected with the Queen or the Jubilee. Many thousands more have been awarded in other Commonwealth countries.

The main programme of Jubilee celebrations was opened on 3 May with the presentation of a loyal address to the Queen by both Houses of Parliament, assembled together in Westminster Hall. The following article gives an account of the principal events which have taken place in connection with the Jubilee since then.

GUILDHALL ADDRESS

At the Guildhall luncheon, given by the Corporation of the City of London, the Queen spoke principally of the development and importance of the Commonwealth of which she is Head. The text of her speech in part was as follows:

During these last 25 years I have travelled widely throughout the Commonwealth as its Head. And during those years I have seen, from a unique position of advantage, the last great phase of the transformation of the Empire into Commonwealth and the transformation of the Crown from an emblem of dominion into a symbol of free and voluntary association. In all history this has no precedent.

It is easy enough to define what the Commonwealth is not, indeed, this is quite a popular pastime. But from my own experience I know something of what it is. It is like an iceberg, except that it's not cold!

The tip is represented by the occasional meetings of the heads of Government and by the Commonwealth Secretariat, but nine-tenths of Commonwealth activity takes place continuously beneath the surface, and unseen. Cultural activities, professional, scientific, educational and economic bodies have between them created a network of contacts within the Commonwealth which are full of life and much valued. And right at the base of the iceberg, the part which keeps the rest afloat, is friendship and communication, largely in the English language, between peoples who were originally brought together by the events of history and who now understand that they share a common humanity.

I have also no doubt that, politically, the Commonwealth has something rare and valuable to offer. A capacity for enlightened tolerance, the ability to see things in a long term perspective, and the willingness to concede that there just may be another point of view. It has the strength to endure difference for the sake of basic identity and the courage to prefer compromise to conflict.

It was this political perception which originally prompted the unprecedented transformation of the British Empire into a Commonwealth, into a voluntary association of equal partners in which no one claims pre-eminence.

An association of countries like the Commonwealth that has this wisdom need have no fear for the future. Far from it, it can look forward with abounding hope, not only for its own well being,

but also that its example may point the way for mankind . . . .

ADDRESSES BY PARLIAMENT

The programme of celebrations for the Silver Jubilee was opened officially on 3 May with loyal addresses to the Queen by the House of Commons and the House of Lords, assembled together in Westminster Hall. It was only the second time in Britain's history that the Sovereign, Lords and Commons had come together for such a purpose. The first was in 1935 when King George V celebrated his 25 years on the throne.

For the House of Commons, the Speaker, Mr George Thomas, expressed 'profound and heartfelt gratitude for the selfless and unstinting service you have so freely given to our land' (*Hansard*, 3.5.77, cols 421-5), while the Lord Chancellor, Lord Elwyn-Jones, referred, on behalf of the House of Lords, to the manner in which the Queen had maintained, with dignity, links with the past while adapting cheerfully to the mood of the time (*Hansard*, 3.5.77, cols 981-5).

In her reply to the Lords and the Commons, the Queen spoke of the nature of constitutional monarchy. She said:

It is a form of Government in which those who represent the main elements of the community can come together to reconcile conflicting interests and to strive for the hopes and aims we all share. It has adapted itself to the changes in our own society and in international relationships, yet it has remained true to its essential role. It has provided the fabric of good order in society and has been the guardian of the liberties of individual citizens.

These 25 years have seen much change for Britain. By virtue of tolerance and understanding, the Empire has evolved into a Commonwealth of 36 independent nations spanning the five continents. No longer an imperial power, we have been coming to terms with what this means for ourselves and for our relations with the rest of the world.

We have forged new links with other countries and in joining the European Economic Communities we have taken what is perhaps one of the most significant decisions during my reign.

At home there are greater opportunities for all sorts and conditions of men and women. Developments in science, technology and in medicine have improved the quality and comfort of life and, of course, there has also been television.

We in Government and Parliament have to accept the challenges which this progress imposes on us. And they are considerable.

The problems of progress, the complexities of modern administration, the feeling that metropolitan government is too remote from the lives of ordinary men and women, these among other things have helped to revive an awareness of historic national identities in these islands. They provide the background for the continuing and keen discussion of proposals for devolution to Scotland and Wales within the United Kingdom.

I number Kings and Queens of England and of Scotland, and Princes of Wales among my ancestors and so I can readily understand these aspirations.

But I cannot forget that I was crowned Queen of the United Kingdom of Great Britain and Northern Ireland.

Perhaps this Jubilee is a time to remind ourselves of the benefits which union has conferred, at home and in our international dealings, on the inhabitants of all parts of this United Kingdom.

A Jubilee is also a time to look forward. We should certainly do this with determination and I believe we can also do so with hope. We have so many advantages, the basic stability of our institutions, our traditions of public service and concern for others, our family life and, above all, the freedom which you and your predecessors in Parliament have, through the ages, so fearlessly upheld . . . .

THE QUEEN'S SILVER JUBILEE APPEAL

To mark the occasion of the Queen's Silver Jubilee an appeal was launched on 24 April by Prince Charles for money to encourage the efforts of young people working on community and other projects. Within two weeks of the Prince's radio and television broadcast, over £1 million had been raised, and by early June donations by individuals and organisations had already exceeded £2 million. Almost £200,000 of this had come from private individuals.

In his broadcast, Prince Charles said that he had asked the Queen if there was some permanent way in which her 25 years' service to Britain and the Commonwealth could be marked. 'After careful consideration she said she would be particularly pleased if money could be raised principally to assist and encourage the outstanding work already being done by young people in various fields.'

The Silver Jubilee Trust is using the money raised by the appeal to encourage schemes involving young people in Britain and other Commonwealth countries, including work in hospitals and homes; help for the elderly and the lonely; for the disabled and mentally handicapped; for deprived and sick children; work to improve the local environment; rescue services; and adventure projects and other sorts of leadership training.

'There are many excellent voluntary organisations in existence which encourage such activities', Prince Charles said. 'I want this appeal to give support to these groups, many of which are short of money. I also want to encourage the development of new groups of young people with their own ideas of what they would like to do within their local communities, who otherwise could not put their ideas into practice because of lack of resources.'

Money for the appeal has been raised by a house-to-house collection, the sale of official Silver Jubilee souvenir programmes, and the donations from organisations in industry, sport, entertainment and the arts, as well as from private individuals. The proceeds from numerous events, such as concerts and other forms of entertainment, have also been donated to the appeal.

Northern Ireland

Recent developments concerning Northern Ireland summarised below are the failure of the strike called by the Ulster Unionist Action Council; the dissolution of the United Ulster Unionist Coalition; the intensification of security measures against terrorism; the referral to a Speaker's Conference of the question of the Province's representation at Westminster; the local government elections; talks between the Secretary of State for Northern Ireland and the Irish Foreign Minister; a new order for the Belfast firm of shipbuilders, Harland and Wolff; action taken on the publication of a study of special social need in Belfast; and the publication of a consultative document on family law reform.

UNITED UNIONIST ACTION COUNCIL STRIKE

A strike called by a minority group of 'loyalist' organisations, the United Unionist Action Council, which started at midnight on 2 May, was called off at midnight on 13 May. The council called upon loyalists to join in 'a complete stoppage and withdrawal of labour and a total withholding of consent or support to direct rule' and demanded a 'powerful and effective offensive against the IRA' and the implementation of the report of the Constitutional Convention (see pp 52-4, 1976). In a statement in the House of Commons on 2 May (*Hansard*, cols 32-3), Mr Roy Mason, the Secretary of State for Northern Ireland, said that most of the militant loyalist paramilitary organisations were associated with the council whose membership included the Ulster Workers' Council, the newly-formed United Ulster Unionist Party led by Mr Ernest Baird and the Democratic Unionist Party led by the Rev Ian Paisley, MP. The council were asking for the implementation of the majority report of the Constitutional Convention which was rejected by the House of Commons a year ago. Mr Mason said that the proposed action would be economically disastrous for Northern Ireland, especially at a time when the Government had been giving special attention to the needs of the Province where much had been done to restore confidence. Mr Mason said he was not complacent about the security situation but a stoppage would distract the security forces from their efforts against the Provisional IRA who had recently suffered some reverses. The Government would not be coerced and would help the community to resist bullying tactics. They were supported in this by all the other political parties in Northern Ireland, and by trade unions and employers' organisations, all of whom had condemned the proposed stoppage.

On 5 May a statement was made in the House of Commons by Mr Don Concannon, Minister of State in the Northern Ireland Office (*Hansard*, 5.5.77, cols 660-1) who said that on the first day of the strike a number of people, mainly in the engineering industry, did not turn up for work. The police reported numerous complaints of intimidation. On the second day, the turnout was better but some of the intimidation grew more blatant. On the third day, most firms reported a good attendance. Although the harbour at Larne was closed, most public services were continuing to operate in a near-normal fashion. The following day, the workers of the Province's largest power station voted not to join the strike.

At the end of the strike, Mr Mason said it was for the people to 'turn over the page and get on top of the many problems – economic, industrial and particularly in the field of security – which lay ahead'.

UNITED ULSTER UNIONIST COALITION (UUUC)

After the beginning of the strike, Mr James Molyneaux, leader of the United Ulster Unionist MPs at Westminster, announced the dissolution of the UUUC and denounced the Rev Ian Paisley, Member of Parliament for Antrim North, and Mr John Dunlop, Member of Parliament for Mid-Ulster. Mr Molyneaux said that the Official Unionists would have nothing further to do with men who were engaged in extra-parliamentary action which threatened the basis of the link between Northern Ireland and the rest of the United Kingdom. The UUUC was formed in 1974 out of the main Unionist parties and in the last general election in October 1974 won ten of the 12 Ulster seats.

INTENSIFICATION OF SECURITY MEASURES

The intensification of measures to combat terrorism in Northern Ireland was announced by Mr Roy Mason, Secretary of State for Northern Ireland, in a speech to journalists at Stormont on 8 June. These include an increase in the size of the police force; the greater use of special vehicles and weapons by the police; the strengthening of intelligence activities by the Army; an increase in the establishment of the Ulster Defence Regiment; and more severe penalties for offences connected with terrorism. Mr Mason said that although much had already been achieved, to the people of Northern Ireland it did not seem that the battle was being won fast enough. Statistics showed that the murder rate had been halved in the first part of the year compared with last, that the incidence of woundings, explosions and shootings had been dramatically cut, but when particular incidents of brutality occurred which horrified all sections of the community, there was an understandable wave of revulsion. In discussions which had recently been held with leaders of a number of political parties in Northern Ireland, they made it clear that they sought to see measures within the law which would intensify the pressure upon men of violence.

Mr Mason went on to outline some of the measures which were being taken. The ceiling for recruitment to the Royal Ulster Constabulary (RUC) was being raised to 6,500, an increase of 1,200. Since last year the criminal investigation department (CID) had been completely reorganised to make it the highly efficient machine it now was. The three new regional crime squads were closely meshed with the reorganised and reconstituted headquarters crime squad and together they concentrated on serious terrorist crime. The crime squads and the divisional CID were now backed up by a new criminal intelligence system. The technical services of the

CID had also been strengthened as had the resources of the forensic science laboratory. There had been an increase of 121 per cent in the number of charges against members of the Provisional IRA (708 in 1976 compared with 320 in 1975). This rate had continued to rise in the first five months of this year. Charges for the use or possession of explosives had gone up by as much as 115 per cent, and charges for offences such as hijacking, arson and intimidation by 187 per cent. The collation of information from many sources was a vital part of police work and new arrangements had been introduced to ensure the improved co-ordination with the CID of information collected by the Army. The RUC Reserve would be more directly involved in operations in the future and the special patrol group, which numbered more than 300 men, had been overhauled to direct it more effectively against terrorist activity. Increased use was being made of special vehicles by the police, including Land-rovers heavily protected against high velocity weapons, and new and more appropriate weapons were being provided.

While emphasising the central role occupied by the police, Mr Mason said that, while terrorism went on, they would continue to be buttressed by the Army which was concentrating more on the collection of intelligence. It was intended to intensify activities of the type undertaken by the Special Air Services Regiment, and to this end additional troops would be sent to Northern Ireland in the immediate future for special duties of this kind; more use would be made of current resources in specialist operations; and greater emphasis would be placed on training for these operations and their overall co-ordination. These measures should substantially increase the ability of the security forces to collect information about terrorists which should lead to arrest and prosecution. Mr Mason said that the continuity and local knowledge which the Ulster Defence Regiment brought to bear was of great value and it was intended to raise its establishment immediately by a further 700, making a total of 2,500 in the regiment.

In addition to these developments, Mr Mason said that a number of measures would be introduced to strengthen anti-terrorist legislation. First, it was proposed to increase the statutory penalty for conspiracy to murder from ten years to life imprisonment; secondly, the maximum penalty under the Explosive Substances Act would be increased from 20 years to life imprisonment; thirdly, two new offences would be created carrying a maximum penalty of five years' imprisonment to deal with hoax bombers; and fourthly, it was intended to introduce immediately legislation to increase maximum penalties for membership of proscribed organisations from five to ten years.

REPRESENTATION AT WESTMINSTER

In a parliamentary written answer (*Hansard*, 5.5.77, col 253) the Secretary of State for Northern Ireland referred to the Prime Minister's announcement (*Hansard*, 23.3.77, col 1303) that it was the Government's intention to refer the question of Northern Ireland's representation in the United Kingdom Parliament to a Speaker's Conference. Mr Mason said that the Government had accepted for some time that Northern Ireland was under-represented at Westminster. In accordance with normal practice, Opposition party leaders would be consulted about the conference's composition and terms of reference.

LOCAL GOVERNMENT ELECTIONS

In the elections to the 26 district councils held on 18 May, the Official Unionist Party obtained the largest number of seats but fewer than in the previous local government elections in 1973. Gains were made by the non-sectarian Alliance Party and the Democratic Unionist Party. The percentage of seats won by the four main parties were as follows: Official Unionist, 31; Social Democratic and Labour, 21; Democratic Unionist, 14; and Alliance, 14.

TALKS WITH IRISH FOREIGN MINISTER

The Secretary of State for Northern Ireland met the Minister for Foreign Affairs of the Irish Republic, Dr Garret FitzGerald, in London on 26 May. The meeting was one of a series which take place from time to time for a general exchange of views on the political and security situation. Both ministers reaffirmed their identity of interest in defeating terrorism on both sides of the border. Discussion ranged over the economic and political situation in Northern Ireland, especially in the light of the attempted strike and the recent local government elections.

ORDER FOR HARLAND AND WOLFF

The Belfast shipbuilders, Harland and Wolff Ltd, have won an order for two liquefied petroleum gas carriers worth between £60 million and £70 million. Announcing this in a written answer in the House of Commons (*Hansard*, 27.4.77, cols 322-3) the Secretary of State for Northern Ireland said that agreement had been reached in principle for financial arrangements to enable the vessels – each of 56 cubic metres – to be ordered by a leasing company for long-term charter to the Shell Group. It is intended that a joint venture leasing company should be set up, whose ordinary share capital will be owned by United Kingdom banks. Harland and Wolff will invest in the company to the extent of £12 million to be financed by the Northern Ireland Department of Commerce, who are the sole owners of Harland and Wolff. The contract will provide work for 2,000 men for two years.

Speaking to the Harland and Wolff Works Committee on 27 April, Mr Mason said the order presented a major challenge because these were highly complex ships which would involve new technology. They would be used for transporting liquid petroleum gas from Brent Field in the North Sea to the United States. The delivery dates would be April and December 1980.

BELFAST

The report of an interdepartmental study of social need in Belfast started in 1975 was published in April (*Belfast: Areas of Special Social Need: Report by Project Team 1976*, Belfast HMSO, £3·25,

ISBN 0 337 23229 6) and Government action to alleviate the problems described have been announced. Using a wide range of indicators of social need, the study identified four factors: unemployment – low family income; substandard housing – poor physical environment; personal handicap; and educational disadvantage. It was shown that there was a high level of inter-relationship between different types of social need and that a few wards suffered greater disadvantages than others. West Belfast was characterised by unemployment, low incomes and overcrowded housing resulting from large family size, while the inner city area was distinguished by substandard housing, poor physical environment, low incomes, lack of skills and concentrations of persons with different forms of personal handicap associated with age or health. The problems were similar to those existing in certain other British cities.

In a statement on the publication of the report, the Secretary of State for Northern Ireland said that the Government had been aware in broad terms of the special problems of some areas of Belfast and special efforts were being made to alleviate them. With regard to employment, West Belfast had been zoned to enable companies located there to obtain the highest incentives available in the Province. In housing, new efforts to tackle redevelopment and rehabilitation had recently been announced (see p 460, 1976). In health and social services, modernisation and redevelopment of the major teaching hospital complexes continued and community services were being expanded. In education, priority was already accorded to areas of special need. Although much was being done, more remained to be done in a concerted effort by Government, public authorities, voluntary organisations and the communities themselves. Immediate action announced by Mr Mason was that Lord Melchett, Minister of State with responsibility for the Northern Ireland Departments of Education and Health and Social Services, should play an overall co-ordinating role in relation to these issues; that he should initiate discussions with the heads of public bodies concerned with the problems of special social needs; that a planning team under the chairmanship of Lord Melchett should be set up to direct and co-ordinate action; and that priority should be given in relevant financial programmes to these areas of special social need.

FAMILY LAW REFORM

A consultative document, *The Reform of Family Law in Northern Ireland,* has been published by the Office of Law Reform in Belfast and the views of people are invited on the direction that law reform should take on matters broadly connected with marriage. The subjects under consideration – all of which have already been the subject of reform in England and Wales – are: the consequences of the termination of engagements to marry; prohibited degrees of relationship in marriage; nullity of marriage; property rights of married persons; powers of the High Court in matrimonial proceedings; protection from domestic violence; and the abolition of outdated remedies (for example, the right to petition for the restitution of conjugal rights).

Local Government Finance

The Government's response to the Layfield Committee's Report on Local Government Finance (see pp 249-50, 1976) was published on 19 May as a consultative document, *Local Government Finance,* Cmnd 6813, HMSO, 70p. ISBN 0 10 168130 5.

GOVERNMENT CONCLUSIONS

The main conclusions arrived at by the Government were outlined by Mr Peter Shore, Secretary of State for the Environment, in the House of Commons (*Hansard,* 19.5.77, cols 712-15). His statement related only to England and Wales; he explained that the detailed application of measures in Wales would need to be considered following the implementation of Government policy on devolution (see pp 3-8) and the need to consult the Welsh assembly.

The Government, Mr Shore said, rejected the Layfield Committee's basic argument that an improved relationship between central and local government could be achieved only by adopting either a system of strong central intervention or a system under which local authorities would be permitted a substantial increase in the scale of local taxation and thus to manage their own affairs with less control from central Government. The Government saw central-local relations in a different light – neither centralist nor localist, in Layfield terms. It considered that the responsibilities involved in the provision of local services were inevitably shared.

Local autonomy had to be preserved and encouraged, but at the same time central Government had to fulfil its economic responsibilities and ensure that its policy interests in locally provided services were safeguarded. The Government intended, therefore, to strengthen the present financial machinery to enable central and local government to fulfil their roles more effectively.

Local Income Tax

The Government was not convinced that it would be right, as the Layfield Committee had suggested, to add local income tax to existing rates as an additional source of local revenue. However, here the Government agreed with the Layfield Committee that the various other local taxes which had been suggested to supplement local rates – including local sales tax, local motor vehicle fuel duties and local payroll tax – had serious disadvantages, and did not propose to pursue them.

Rates

The Government also agreed with the committee that it would be wrong to abolish domestic rates. To do so, Mr Shore said, would be to impose unacceptable burdens on national taxation. It would mean increasing the basic rate of income tax by 4·5p in the pound, or increasing the standard rate of VAT from the present 8 per cent to 14 per cent. However, the Government had concluded that the rating system needed substantial reform. It proposed, therefore, to end the current rental basis for domestic properties and in its place, to

adopt capital valuation. The impact of the change would be tempered by transitional measures and there might be a need for some more permanent modifications. Agricultural land and buildings would remain de-rated. Changes would also be made to some other parts of the rating system to help small businesses in particular and to bring the system more into line with present day circumstances.

Capital Expenditure

Local authorities, Mr Shore said, should be freer to determine their own priorities for capital expenditure. The Government therefore proposed to discuss with the local authority associations a new system whereby, within general policy guidelines laid down by central Government, approvals would be given for capital expenditure on programmes rather than on projects.

Efficiency

The Secretary of State said that the Government had concluded that it should strengthen the machinery for helping local authorities and their electorates to obtain greater efficiency and value for money. Efficiency was a matter primarily for local authorities, but the Government would see that more comparative and other value-for-money studies were undertaken. An independent advisory body would be set up to consider general audit matters.

Grants

The Exchequer grant should continue to be the most important source of revenue for local government and it should be distributed mainly as a block grant, the Government had concluded. However, the form and method of distribution of the grant was the most important of those matters on which the Government believed there should be further public debate.

The Government acknowledged that the present rate support grant system had defects. The Layfield Committee had discussed a new system – the unitary grant – which seemed to the Government to remove to a large extent those defects. However, the local authority organisations were opposed to the unitary grant, which seemed to them to have grave defects. The question of unitary grant or alternatively of amendments to the present rate support grant system needed further discussion, Mr Shore said. Until these consultations had been concluded, the Government would not come to conclusions about the form and method of distribution of Exchequer grant.

Aims

In framing the consultative document, Mr Shore said, the Government had four aims. First, it sought to maintain and enhance the independence of local government; secondly, it sought to improve and encourage greater accountability of local government to its electorate; thirdly, it sought to establish an effective and proper degree of Government central control over the total of local government expenditure; fourthly, it sought to make the methods of local taxation more equitable.

The Government now proposed to hold consultations with the local authority associations on those matters on which it had reached general conclusions and with the local authority associations and others on the other important matters in the consultative document.

SCOTLAND

On the application of the Layfield Committee's views to Scotland, where the organisation of local government and the form of relationship with central Government differ substantially from the position in England and Wales, the Government gave its initial conclusions in a separate consultative paper, *Local Government Finance in Scotland*, Cmnd 6811, HMSO, 55p, ISBN 0 10 168110 0, also issued on 19 May. The conclusions are broadly the same as those for England and Wales.

Dominica Constitutional Conference

The Dominica Constitutional Conference met at Marlborough House, London, from 16 to 20 May, to discuss the terms of a constitution which would be brought into effect following any future decision that the Associated State of Dominica should proceed to independence in accordance with the provisions of the West Indies Act 1967. Mr Evan Luard, Parliamentary Under-Secretary of State at the Foreign and Commonwealth Office, represented the British Government. Britain had invited the representatives both of the Dominica Government, led by Mr Patrick R. John, Prime Minister and leader of the Dominica Labour Party, and of the opposition Freedom Party, led by Miss Eugenia Charles, to attend the talks. The decision to convene the conference had been reached during earlier discussions in London, on 23 and 24 March, between Mr Ted Rowlands, the Minister of State at the Foreign and Commonwealth Office, and Mr Patrick John.

As an Associated State, Dominica could, under the provisions of the West Indies Act 1967, move to independence without recourse to the British Parliament, provided that legislation to this end received the approval of two-thirds of the elected members of the House of Assembly and two-thirds of the vote cast in a referendum. (The latter is not required if it is proposed to terminate the agreement of association with Britain in favour of association with another Commonwealth country in the Caribbean.) Alternatively the association could be terminated by (British) Order in Council as provided under section 10 (2) of the 1967 Act (this was the procedure used in the case of Grenada in 1974, see p 15, 1974). In 1976, Mr John asked the British Government to grant independence by the Order in Council procedure. Miss Charles, however, insisted that a referendum should be held. The constitutional conference was convened to discuss the details of an independence constitution without prejudice to the questions of method and timing.

Conference decisions

In his concluding address to the conference on 20 May, Mr Luard said that both parties represented at the conference were in favour of independence and that the British Government welcomed this. The conference had been able to achieve a large measure of agreement upon the future constitution, but two important matters remained unresolved. The governing Dominica Labour Party wished to maintain a monarchical constitution with the Queen as Head of State. On the other hand, the Freedom Party favoured an immediate move to a republican constitution with an elected President. Since the governing party represented a large majority in the Dominica Parliament, Mr Luard said, the conference had concluded that the draft constitution should follow a monarchical system while leaving it open to the Opposition to raise the matter again when it comes before the Assembly in Dominica.

There had also been disagreement, Mr Luard continued, about the composition of the House of Assembly. Some progress had been made in narrowing the gap between the two sides on this point, but it had not been eliminated. Here too, the conference had accepted the proposals of the governing party as the basis of further work on the constitution, while reserving the right of the Opposition to raise the matter again in their own Parliament.

Mr Luard pointed out that the proposed constitution contained satisfactory safeguards for fundamental rights and freedoms; and also provisions to preserve the security of the state and maintenance of the rule of law. The next step would be for the proposed constitution to be discussed in Dominica and in due course to be considered in the Dominica House of Assembly. It would be important that the British Parliament should be satisfied that the move to independence commanded the support of the majority of the Dominican people. If there remained areas of serious disagreement, it might be necessary for some further process of consultation to take place. If, as Mr Luard hoped, broad agreement was reached, he would be prepared to recommend to the British Government that it should seek the approval of Parliament in London of a request from Dominica to move to independence early next year.

EXTERNAL AFFAIRS AND DEFENCE

European Community

Progress made during Britain's presidency of the Council of Ministers has been outlined in a speech by the Foreign and Commonwealth Secretary, Dr David Owen. Community ministers with responsibility for home affairs have agreed some new measures to help combat international terrorism. With regard to agricultural policy, Britain is suspending its pigmeat subsidy, and the guaranteed price for sugar has been agreed between the ACP sugar-producers and the Community.

PROGRESS DURING BRITAIN'S PRESIDENCY

Progress made during Britain's presidency of the Council of Ministers, which began on 1 January and is due to end on 30 June, was described by the Secretary of State for Foreign and Commonwealth Affairs, Dr David Owen, in a speech to the International Press Association in Brussels on 24 May. Dr Owen said that in the last few months two notable achievements had been scored: first, the Community had drawn the Soviet Union and other COMECON countries into successful negotiations concerning fishing rights (see pp 104-5), and the Community had extended its fishing limits to 200 miles (see p 421, 1976); secondly, at the Downing Street summit (see p 226), the President of the Commission, Mr Roy Jenkins, had been able to take part for the first time in that part of the dialogue between the major industrial powers which covered Community competence.

North-South Dialogue

Dr Owen said that the 'dominant issue' during the British presidency had been the dialogue between the developing and developed countries. It had been given high priority and in particular the Council of Ministers had devoted a lot of time to securing the success of the ministerial meeting of the Conference on International Economic Co-operation (see p 228). Referring to the Community's proposals for the conference he described the presidency's suggestion on the setting up, with other industrialised nations, of a $1,000 million 'special action' fund to help developing countries in greatest need, as 'imaginative' (see p 187). In parallel with these developments, the second ACP-EEC Council in April (see p 187) had reaffirmed the importance of the Lomé Convention, which now gave an increased number of developing countries more generous access to the Community's markets, and the Community had 'yet again improved its Generalised Scheme of Preferences [GSP] to the benefit of the poorest developing countries' (see p 17).

Relations with the United States

Dr Owen emphasised that it was 'an important Community interest' to have good relations with all major industrialised nations, and 'an essential Community interest' to enjoy a close and influential relationship with the United States. He believed that the United States' policies would have a direct impact on the prosperity of Community countries, and added, 'to ignore this is to ignore the basic facts of international life'. The American position bore directly on Community interests at the multilateral trade negotiations (see p 394, 1973), in the energy field, and in efforts to lift Community economies out of recession. It was 'fanciful to deny this proposition', he said, 'or to try to set up a false antithesis between co-operation with the Americans and preserving a European identity'. He went on: 'We should develop the relationship to our mutual advantage. The attitude which sees the European commitment as an exclusive commitment and rejects a creative and constructive Atlantic partnership is wholly alien to my own personal European commitment and is, I believe, based on a feeling of weakness and inferiority which we ought to have long since grown out of.'

Democracy in Europe

The Foreign and Commonwealth Secretary said that a democratic Europe was the Community's foundation. He added: 'It is inconceivable to me that any country can be within the EEC while no longer practising democratic government. It is a weakness that we have no power of exclusion for a non-democratic country and this is something we should all examine.' In speaking of the Community's support for democracy, he said that one of the most hopeful recent developments had been the restoration of democracy in Greece, and that Greece's entry negotiations were being pursued in their own right and on their own intrinsic merits (see p 317, 1976). 'The new democracy in Portugal' had applied for entry, which Community members welcomed (see p 149). He added: 'We watch now

with admiration the progress which Spain is making towards democratic elections. It is our duty as democrats to give support to the men and women of these countries who share the same political and social values as ourselves. The prospect of accession to the Community is the firmest buttress we can offer for upholding democracy.'

Agreement on Policy

In terms of the external policy of the Community, the Foreign and Commonwealth Secretary said there was a relatively wide community of interest between member states. However, he thought that agreement on internal developments was more difficult to achieve, because a multiplicity of interests were affected, the policies had financial aspects, and they directly concerned the voter. Decision-making would inevitably be slow-going when politicians were being 'buffeted from all quarters by innumerable and frequently conflicting domestic pressures', but he said this was the price exacted by democracy and one which the Community must be prepared to pay.

Adaptation to Community Policies

Dr Owen next turned to consider the stresses evident after Britain, Denmark, and the Irish Republic acceded to the Community. He pointed out that the new members joined 'a going concern'. Since then, a two-way process of adaptation between new and old states had been in progress but was still not complete. Dr Owen accepted 'without reservation' the duty of new member states to adapt to existing policies, however great the break with past practices. But the 1973 enlargement itself had created new circumstances in which existing Community policies had to be modified and new ones developed. He added that policies were not immutable, and a new equilibrium had constantly to be struck in which all the states felt their rights and obligations were broadly in balance. These must be the fundamental considerations when the Community considered, for example, the common agricultural policy (CAP), and the common fisheries policy (CFP).

In referring to this year's price-fixing agreement for the CAP (see p 186) he said that the final package agreed, in consumer terms, was 'one of the best for many years'. The price rise of 3·5 per cent was the lowest since Britain joined the Community. He said this agreement should have resulted in 'headlines saying "consumer's triumph" – instead predictably we had talk of crisis and deadlock'.

Dr Owen then listed the recent decisions that have been taken concerning the CFP: 'We have introduced a Community system of licensing for fishing by third countries [see p 59]; the Community has negotiated, or is in the process of negotiating, arrangements with over half a dozen countries including the Soviet Union, Poland [see pp 104-5] and the GDR [German Democratic Republic]. We have introduced interim measures for fish conservation and the management of resources [see p 105].' He said the new internal regime raised complex problems involving the livelihood of fishing communities in the coastal states and that intensive discussions were now under way in the Community on all aspects of fisheries policy.

Economic Divergence

The Community recognised, Dr Owen said, that economic divergence struck at the heart of the Community's cohesion, and that, without growth, centrifugal tendencies would only accelerate. The European Council in Rome (see pp 147-8) had started work on a major programme to support with practical measures its statement on growth, inflation and employment. These measures were 'an essential complement to the measures and policies endorsed by the Downing Street summit'. By the time Britain handed over the presidency, Dr Owen hoped that an action programme would have taken shape to increase job opportunities and industrial investment.

Internal Policies

Dr Owen pointed to other sectors in which progress had been steady and sometimes considerable in the last five months: for example, the sixth directive on value-added tax – 'an essential preliminary to the introduction of the full own-resources system for the Community from the beginning of next year' – was finally adopted by the Council of Ministers on 17 May (see p 16); energy ministers had reached agreement on a programme of Euratom loans and the extension of the scheme for helping intra-Community trade in coking coal (see p 148); and Britain was now preparing for the second European Council of its presidency.

Britain's Period of Office

Dr Owen noted that the British presidency had coincided with a period when a number of issues had become 'live'. He described the political debate that had taken place over this time, where passions had 'run high', and arguments had 'raged backwards and forwards', as the 'life blood of democracy'. 'It shows', he said, 'the Community to be the dynamic institution which we all want it to be.'

Dr Owen concluded his speech by recalling the reasons for Britain's membership of the European Community: 'Britain joined the Community because we realised that no single European nation had the resources, moral or material, successfully to overcome the challenges of the modern world. We saw that in the second half of the twentieth century, Western European relationships would have to be placed on a wholly new footing and that Britain could not stand aside from this process. If the peoples of Western Europe were to progress in prosperity and peace, if the values of democratic societies were to withstand the pressures of threatening ideologies, and if Europe were to regain its proper place and influence in the world, a new spirit of co-operation, with new institutions to match, would have to arise in Europe. This is why we subscribed to our partners' determination expressed in the Treaty of Rome "to lay the foundation of an ever closer union among the peoples of Europe . . . ensure the economic and social progress of our countries by common action . . . and pool our resources to preserve and strengthen belief in liberty". I believe that the six months of the UK presidency have been a period of progress towards those goals.'

ACTION AGAINST TERRORISM

Community ministers with responsibility for home affairs met in London on 31 May to discuss further

moves in the continuing campaign against international terrorism. This was the second in a series of meetings which stem from an initiative at the meeting of the European Council in Rome in December 1975 when the Council adopted a British proposal that Community ministers of the interior, or ministers of justice with similar responsibilities, should meet to discuss the possibilities of co-operation between the member states on matters arising within their field of responsibility (see p 477, 1975). The first meeting of this kind was held in Luxembourg on 29 June 1976 (see p 275, 1976).

In a communiqué issued on 31 May, the ministers stated that 'terrorism is a crime, for whatever motive it is practised, and should be treated as such'. But they recognised that it posed special problems for law enforcement and security agencies. The ministers agreed to develop plans to facilitate the exchange of information about terrorist and subversive activities, and techniques for handling major incidents. This will involve close co-operation between the relevant agencies in each member country. Community officials will also continue to discuss specific matters of common concern such as trafficking in illegal arms, and exchange courses will be arranged for the police forces in order to enable them to study anti-terrorist methods in different Community countries.

Other moves agreed include increasing co-operation in civil aviation security, and the setting up of a specialist group to provide for exchanges of views, information and experience on measures against fire and other related matters.

AGRICULTURE

Pigmeat

On 21 May, the European Court of Justice issued a decision to the effect that Britain should suspend its temporary pigmeat subsidy forthwith, pending the outcome of the substantive hearing which will decide the legality or otherwise of the subsidy within the Treaty of Rome (see p 105).

In a statement to the House of Commons on 26 May (*Hansard*, cols 1565-76), the Minister of Agriculture, Fisheries and Food, Mr John Silkin, said that, following the Court's decision, the British Government would be taking action to suspend the subsidy from 11 June 1977. He went on: 'Having regard to the serious implication of the Court's decision for the future of our pigmeat production and processing industries, I have pressed on Mr Gundelach [Vice-President of the Commission with responsibility for agriculture and fisheries] the need for immediate action to assist our pig sector. To this end I have made a formal application to the Commission for urgent action using its powers under Article 135 of the Treaty of Accession, (Article 135 allows the Commission to determine, without delay, the protective measures which it considers necessary to avert any deterioration in the economic situation of a given area.)

Following his discussions with the Commission, Mr Silkin announced on 10 June that the accession compensatory amounts (introduced at the time of Britain's accession to the Community to compensate for the differences in price levels resulting from Britain's and the Community's divergent agricultural support systems) on Britain's pigmeat imports were to be abolished from 15 June instead of at the end of 1977; that the scheme of aids for private storage was to be improved, and that export restitutions (paid to exporters on sales to non-Community countries) were to be increased. Mr Silkin described this action as 'helpful', but he reaffirmed his view that to establish fair conditions of trade, a revised method of calculating the monetary compensatory amounts on Britain's pigmeat imports was needed.

ACP Sugar

Negotiations concerning the price of sugar to be imported into the Community from the African, Caribbean and Pacific (ACP) countries in 1977-78 were successfully concluded on 13 May (see p 187). The agreement provides for a guaranteed price of 27·25 units of account (ua) per 100 kilos for ACP unrefined sugar, and 33·83 ua for white sugar. The agreement was described by Dr Gavin Strang, Parliamentary Secretary at the Ministry of Agriculture, Fisheries and Food, as a very reasonable settlement, offering a fair deal for ACP suppliers at the right price for the Community's sugar refiners.

North Atlantic Treaty Organisation

The biannual ministerial meeting of the North Atlantic Council was held in London on 10 and 11 May. The meeting was attended by 14 heads of State and Government, including the Prime Minister, Mr James Callaghan, and by other ministers. In Brussels, the Eurogroup met in ministerial session on 16 May, and the Defence Planning Committee on 17 and 18 May.

NORTH ATLANTIC COUNCIL

The following is the text of the communiqué issued after the council meeting (headings added):

The North Atlantic Council met in London on 10 and 11 May, 1977 with the participation of Heads of State and Government.

2 *The essential purpose of the Alliance is to safeguard the independence and security of its members, enabling them to promote the values of democracy and respect for human rights, individual freedom, justice and social progress, and to make possible the creation of a lasting structure of peace. The Allies are firmly resolved to maintain and enhance the effectiveness of the Alliance and the ties which unite them.*

Security and Defence

3 *Although there have been some improvements in East-West relations in recent years, elements of*

instability and uncertainty persist. Of particular concern is the continuing growth in the strength of offensive capabilities of the armed forces of the Warsaw Pact countries. In these circumstances, the Allies emphasise the need for the Alliance to maintain at an adequate level the forces required for the common defence and for deterrence. They are resolved to strengthen their mutual support efforts and co-operation.

4 *The Allies are determined to co-operate closely in all aspects of defence production. Their aims are to achieve the most effective use of available resources and to preserve and promote the strong industrial and technological capability which is essential for the defence of the Alliance and to develop a more balanced relationship between European and North American members of the Alliance in the procurement of defence equipment. The means of deepening this co-operation should be reviewed in appropriate fora.*

5 *Leaders of states taking part in the integrated defence structure of the Alliance requested their Defence Ministers to initiate and develop a long-term programme to enable NATO forces to meet the changing defence needs of the 1980s and to review the manner in which the Alliance implements its defence programmes to ensure more effective follow-through.*

Arms Control and Disarmament

6 *At the same time, the Allies reaffirm their conviction that security in Europe and in the world, without which* détente *could not produce its beneficial effects, cannot be achieved by statements of intent, but requires concrete efforts to reduce the level of armaments through realistic measures of disarmament and arms control. They will continue to move towards this goal in a manner consistent with Allied security, while recognizing that progress also depends on a constructive attitude on the part of the Soviet Union and East European states.*

7 *The Allies warmly welcome the efforts of the United States to negotiate with the Soviet Union an agreement to limit and reduce strategic arms which takes into account Allied interests.*

8 *With respect to MBFR* [Mutual and Balanced Force Reductions, see p 95], *the participating Allies emphasise the importance they attach to these negotiations, the goal of which is to contribute to a more stable relationship and to the strengthening of peace and security in Europe. They call for a positive response to the additional offer they made to the Warsaw Pact countries in December 1975, and reaffirm their overall objective of establishing approximate parity in ground forces in the form of a common collective ceiling for ground force manpower and the reduction of the disparity in tanks, which would ensure undiminished security at a lower level of forces.*

East-West Relations and *Détente*

9 *The collective security ensured by the Alliance, in addition to enhancing global stability, provides the strength and confidence that enable the member countries to persevere in their efforts to lessen the tensions between East and West and to increase progressively the areas of co-operation. In this connection, the Allied leaders requested the Council in Permanent Session to make a fresh study of long-term trends in East-West relations and to assess their implications for the Alliance. Improvement in East-West relations will depend on the extent to which all concerned show moderation and self-restraint both in Europe and in other parts of the world. With regard to Berlin and Germany as a whole, the other Allies fully associated themselves with the views expressed by the Heads of State and Government of the United States, the United Kingdom, France and the Federal Republic of Germany in their statement of 9 May, 1977* [*see p* 223], *and noted in particular that the strict observance and full implementation of the Quadripartite Agreement of 3 September 1971 are essential to the strengthening of* détente, *the maintenance of security and the development of co-operation throughout Europe.*

10 *The Allies stress the great importance they attach to the implementation by the CSCE* [Conference on Security and Co-operation in Europe] *Signatory States of all the provisions of the Helsinki Final Act* [see pp 305-12, 1975]. *There has been limited progress in certain fields. While welcoming this, the Allies emphasise that much still remains to be done if the potential of the Final Act is to be realised both in terms of inter-state relations and in the lives of the inhabitants of all the countries concerned. The forthcoming Belgrade meeting* [see p 95] *will provide a useful opportunity for a thorough review of the implementation of the Final Act, and for an exchange of views on ways of developing the process of* détente *in the future. At that meeting the Allies will work for a constructive outcome which will promote better relations between the participating states and be beneficial to all their peoples.*

Human Rights

11 *The Allies recognise as wholly legitimate the aspirations of people throughout the world to human rights and fundamental freedoms. They are convinced that respect for these rights and freedoms, in accordance with the commitments accepted by governments in the Charter of the United Nations and in other international documents including the Helsinki Final Act, is essential for peace, friendship and co-operation among nations.*

12 *The Allied leaders reaffirm their support for an equitable world system in which all countries, developing as well as developed, will see their best interests served and which can sustain the economic progress of all. They intend to mobilize their efforts towards the attainment of that objective, in the appropriate fora. They invite the Warsaw Pact countries to do the same*

13 *Recognising the vitality and vigour shown by the Alliance over the years, the Allied leaders reaffirm their determination to maintain and strengthen their close association and cohesion within the framework of the North Atlantic Treaty. On that firm foundation they will persevere in the task of building a more just and peaceful world.*

EUROGROUP MEETING

The Eurogroup[1] met in ministerial session in Brussels on 16 May. The ministers held wide-ranging discussions on major issues currently concerning the Alliance, especially as they affect European members. They pledged their continuing support for efforts to achieve greater security through negotiation, but expressed concern at the growing power of the Warsaw Pact. Stressing the importance of the cohesion and vitality of the North Atlantic Alliance and the major part that the European contribution will continue to play, they took the view that it was important to promote public support for an effective defence capability.

The ministers confirmed their resolve to maintain and improve the contribution made by European countries to the Alliance and reviewed the collaborative work of the specialist sub-groups of the Eurogroup.[2] They endorsed an outline equipment specification for a conventional land minefield system from the Eurolongterm sub-group. They welcomed the results of the basic helicopter pilot training courses and noted that the first course on long-range reconnaissance was due to take place shortly. Further possibilities for joint training were also noted, including the self-propelled howitzer *SP 70*; jet pilot and fighter weapons; and deep-sea diving. The ministers reviewed activity in other areas, including the rationalisation of medical services; further work on the definition of a tactical communications systems; co-operation in the logistics field; and the examination of the differences in national army structures.

The ministers reaffirmed their support for 'further European collaboration in the development and production of defence equipment taking full account of the need for standardisation wherever possible; and the progressive growth of closer and more balanced co-operation between European and North American members of the Alliance in this field'. They welcomed the President of the United States' recent statement to the North Atlantic Council on equipment co-operation [in which he announced that he would seek ways to improve co-operation on the development, production and procurement of defence equipment between the United States and Europe] and re-emphasised the central importance of this task for the Alliance.

DEFENCE PLANNING

The NATO Defence Planning Committee met in ministerial session in Brussels on 17 and 18 May.

The ministers expressed their concern at the steady expansion of Warsaw Pact military capabilities and noted that 'these forces had become increasingly offensive in posture and were now capable of projecting Soviet power on a global scale'. In the light of these developments, they stressed the urgent need for NATO to maintain and improve its defensive capabilities.

In response to recommendations and decisions made at the London meeting for improving Alliance defences, the ministers agreed that the Alliance should undertake a long-term defence programme to enable NATO forces to meet the changing needs of the 1980s. They directed the Defence Planning Committee in Permanent Session to prepare 'a time-phased defence action programme' and to review means for 'strengthening NATO programming and implementing machinery', to be transmitted to heads of State and Government at their meeting next year in Washington. To complement this effort, the ministers agreed to initiate, on a more immediate basis, a programme of short-term measures in the areas of 'anti-armour, war reserve munitions, and readiness and reinforcement'. Following these assessments, they approved a guidance to the NATO military authorities for the development of force proposals for the period 1979-84, designed to correct current deficiencies in Alliance defences.

The ministers noted with interest a statement by this year's chairman of the Eurogroup ministers on current work in the Eurogroup and reviewed progress in co-operative programmes, reaffirming the urgent need for greater Alliance co-operation on a longer term basis. They welcomed the emphasis being placed by the Conference of National Armaments Directors on the development of an improved armaments planning system and the establishment of further co-operative efforts, and reasserted the need for a greater degree of standardisation and interoperability of Alliance equipment, especially in the field of communications, where they agreed that the development and procurement of all future communications systems 'should be subject to prior consultation, with consideration given to collaboration among all the Allies concerned'.

Turning to the development of a NATO airborne early warning programme (see p 191), the ministers reaffirmed the importance of providing an Alliance-wide capability through an interoperable force, and agreed to devote all possible efforts to reach a decision on procurement as soon as practicable. The ministers agreed to additional funding for the current Common Infrastructure Programme (1975-79), which, in their view, well demonstrated the Alliance's solidarity and cohesion. They then noted with satisfaction the progress so far made towards modernising Portugal's armed forces with the assistance of contributions from the Allies of material and training facilities, which would enable Portugal to increase its role in Alliance defence. However, they stressed the continuing needs of Portugal and Turkey for further external assistance and 'the vital importance for Alliance solidarity and security of early completion and implementation of defence co-operation agreements affecting the South-Eastern Flank'. Finally, the ministers took note of the current state of the negotiations on Mutual and Balanced Force Reductions (MBFR) and on Strategic Arms Limitation Talks (SALT), and reaffirmed the importance they attached in the MBFR negotiations to the principle that NATO forces should not be reduced 'except in the context of a Mutual and Balanced Force Reduction agreement with the East, which must in no way diminish the collective security of the Alliance'.

[1]The Eurogroup consists of Belgium, Britain, Denmark, the Federal Republic of Germany, Greece, Italy, Luxembourg, Netherlands, Norway, Portugal and Turkey.

[2]The sub-groups are Eurocom (battlefield communications), Eurolog (logistic co-operation), Eurolongterm (long-term planning), Euromed (medical services), Euronad (equipment collaboration), Eurostructure (force structures) and Euro/Natotraining (co-operative training).

Declaration on Berlin

After the conclusion of the Downing Street summit (see pp 226-8), there was a meeting on 9 May between the heads of State or Government of Britain, France, the Federal Republic of Germany and the United States to review questions relating to the situation in Germany and, in particular, Berlin. At the end of the meeting a communiqué was issued in which the four Governments expressed their satisfaction at the positive effects which the Quadripartite Agreement of 3 September 1971[1] [between Britain, France, the Soviet Union and the United States] had had on the situation in and around Berlin. They agreed that 'the strict observance and full implementation of the agreement, which are indispensable to the continued improvement of the situation, are essential to the strengthening of *détente*, the maintenance of security and the development of co-operation throughout Europe'. The Governments of Britain, France and the United States noted that '*détente* would be seriously threatened if any one of the four signatory powers to the Quadripartite Agreement were not to respect fully the undertakings confirmed by the signatory powers in the agreement and in the Quadripartite Declaration of 9 November 1972' (see p 15, 1973).

The communiqué went on to state that the three powers recalled that the Quadripartite Agreement was based explicitly on the fact that quadripartite rights and responsibilities and the corresponding wartime and post-war four-power agreements and decisions were not affected. They reaffirmed that 'this status of the special area of Berlin could not be modified unilaterally', and stated that they would continue to reject all attempts to put in question the rights and responsibilities which Britain, France, the Soviet Union and the United States retain 'relating to Germany as a whole and to all four sectors of Berlin'.

The four Governments recalled that one of the essential elements in the Quadripartite Agreement was the affirmation that the ties between the Western sectors of Berlin and the Federal Republic of Germany should be maintained and developed. Noting that this conformed with the interests and wishes of the people directly concerned, the three powers took special note of 'efforts by the Federal Republic of Germany, taking into account the provisions of the Quadripartite Agreement relevant to its responsibilities for representing the interests of the Western sectors of Berlin abroad, to enable the Western sectors of Berlin to profit from the practical benefits of East-West relations'.

Finally, the three powers expressed their appreciation of the efforts of the Federal Republic and the *Senat* of Berlin to ensure that the Western sectors remained an attractive place in which to invest and work, and reaffirmed their commitment to the city's security 'which is an indispensable prerequisite for its economic and social development.

[1] For the background to the Quadripartite Agreement and its text see COI reference pamphlet R5937/72, *The Berlin Agreement.*

Nuclear Non-Proliferation

FOREIGN AND COMMONWEALTH SECRETARY'S SPEECH

The Secretary of State for Foreign and Commonwealth Affairs, Dr David Owen, delivered a speech on nuclear non-proliferation to the Royal Institute of International Affairs in London on 10 May.

Dr Owen began his speech by stating that the world was increasingly forced to look to nuclear power as a means of sustaining life, in the full knowledge that nuclear power, if misused, added to the danger of destroying life once and for all. The nuclear explosion that was carried out in India in 1974, he said, had shaken the complacency of many countries, including Britain, but the world had little time left in which to develop an international strategy to contain the dangers of nuclear weapons proliferation.

The Secretary of State noted that nuclear matters were an area in which Britain had the standing, and the duty, to make a distinctive contribution. Britain was one of only five nuclear weapon states; it was one of the three depositary powers of the 1968 Non-Proliferation Treaty; it had built the first commercial nuclear power reactor more than 20 years ago; it was among the leaders in developing new technology in commercial enrichment, reprocessing and fast reactors; and today it was chairman and host of the Nuclear Suppliers Group.[1] Dr Owen commented that international action to prevent the spread of nuclear weapons to date had been 'slow, ineffective and insufficient', but all participants at the Downing Street summit (see pp 226-8) had agreed that President Carter was right in giving the issue a high priority.

Prospects for Non-Proliferation

Commenting that in 1977, about 12 countries had the basic knowledge and access to fissile materials to produce nuclear explosive devices, and that by 1987 a further 20 states could be in a similar position, Dr Owen stated that it was necessary to remove the incentive to acquire nuclear weapons, 'and that means pursuing *détente* and serious, balanced measures of disarmament to the full'. Furthermore, some of the countries which could soon become nuclear weapon states were to be found in areas of actual or potential regional instability and, consequently, 'the quantitative threat of proliferating nuclear weapons can only be contained by a qualitative improvement in the management of international relations'. It was therefore essential to foster an international climate hostile to the proliferation of nuclear weapons.

The first steps had been taken with the Non-Proliferation Treaty, which had now been ratified by 104 states and remained 'the centrepiece of non-proliferation strategy'. However, it had still not been

[1] The Nuclear Suppliers Group is made up of a number of countries with a nuclear manufacturing industry, which has decided to harmonise its nuclear export policies in the interests of non-proliferation of nuclear weapons. The first meetings of the group were held in 1975 and were attended by representatives of Britain, Canada, France, the Federal Republic of Germany, Japan, the Soviet Union and the United States. The group has subsequently been expanded to include Belgium, Czechoslovakia, the German Democratic Republic, Italy, the Netherlands, Poland, Sweden and Switzerland.

adhered to by two nuclear-weapon states[1] and about 30 non-nuclear-weapon states, and these should be encouraged to do so. Secondly, the Foreign and Commonwealth Secretary said that the nuclear-weapon states should take a number of steps to halt the nuclear arms race, and he thought that continued progress in the strategic arms limitation talks (SALT: see p 95) could have an important psychological impact. If significant reductions in the level of arms were achieved, this would be a major step towards the common ultimate goal: 'the abolition of nuclear weapons as part of a comprehensive disarmament agreement'. Britain hoped that current efforts by the United States and the Soviet Union to negotiate a comprehensive test ban treaty would succeed. It had always supported this objective and was willing to play a full part in negotiations, but such a treaty should include a total prohibition on peaceful nuclear explosions which could yield military benefits.

Decisions on Sources of Energy

Dr Owen pointed out that the commitment in the Non-Proliferation Treaty to curb the spread of nuclear weapons was accompanied by the 'equally important' commitment to promote the further development of nuclear energy for peaceful purposes, and he recognised that 'an effective non-proliferation strategy must go hand in hand with a viable energy strategy'. Important decisions on different sources of energy had to be taken; these decisions were related to the even more fundamental issue of the kind of society and world that was wanted. Although the industrialised democracies had started to debate these issues openly, none had yet achieved a national consensus on how they should be resolved. The world, Dr Owen said, was faced with a prospective shortage of energy, reinforced by the economic and structural consequences flowing from ever-increasing prices, and some countries had no alternative to nuclear power, while even those with plentiful oil and coal knew these could not continue indefinitely.

Safeguards

Nevertheless, said the Secretary of State, a non-proliferation strategy should still seek to place 'the most stringent controls on access to the technology and fissile materials necessary to produce atomic weapons', and it was a measure of the size of the problem that the present situation was 'unsatisfactory and unacceptable'. The international safeguards system, he said, should be as watertight as possible and new thinking was necessary if the dual purpose of promoting non-proliferation and building up mutual confidence between nuclear and non-nuclear powers was to be achieved. Dr Owen described the present position, which is that International Atomic Energy Agency (IAEA) safeguards apply to all the civil nuclear activities of the non-nuclear-weapon states which are parties to the Non-Proliferation Treaty; in addition Britain and the United States, although nuclear-weapon states, have voluntarily accepted IAEA safeguards on those parts of their nuclear industry which supply their civil nuclear programmes. At Britain's instigation, he went on, the IAEA had drawn up a model agreement to enable nations which were not party to the Non-Proliferation Treaty to accept full fuel cycle safeguards. This scheme had recently been endorsed by the United States, and Britain hoped that others would follow its example.

United States Proposals

Dr Owen then discussed the non-proliferation proposals of the new United States administration,[1] which, he said, 'are wide-ranging and complex and go far further than anything proposed hitherto'. The purpose of these proposals was to remove the incentive for more countries to acquire their own enrichment and reprocessing capability, which could be used for military purposes; to offer them instead assured supplies of enriched fuel to meet all their power needs; and so to seek their acceptance of the 'throw-away' fuel cycle, which would dispense with commercial reprocessing and plutonium-based fuel cycles altogether. The Secretary of State said that these proposals merited the most detailed and careful evaluation but that it was too early to pass definitive judgment. There were, however, a number of questions Britain would have to take into account. These included the extent of world supplies of uranium; the desirability for most countries of having to be dependent on uranium imports; and whether the 'throw-away' fuel cycle in fact contributed to non-proliferation objectives as much as was claimed. The central issue was, Dr Owen said, 'what fuel cycle would most effectively contribute to non-proliferation objectives while taking into account environmental and energy supply considerations?'. At the Downing Street summit, the seven nations represented had agreed to form a study group, as part of the wider effort that would be required to launch the international fuel cycle evaluation programme called for by President Carter in his non-proliferation proposals (see p 226 and p 237).

Conclusions

In conclusion, the Secretary of State said that an international dialogue had to be established, 'based on the recognition that all countries, whatever their stage of development, have a legitimate requirement for timely assurances that their future energy needs, including nuclear, will be met; and that, without such assurances, general agreement on measures to control, in the name of non-proliferation, the use of nuclear energy for peaceful purposes will not be possible'. In this connection, he said that the Nuclear Suppliers Group should be opened up 'to a broader and more representative membership', and pledged that Britain would do everything in its power to ensure that nuclear energy would ultimately contribute to humanity's salvation.

[1] France and China.

[1] The proposals are contained in President Carter's statement on nuclear power, delivered on 7 April, and in a nuclear non-proliferation bill submitted by the President to the U.S. Congress on 27 April.

Central Treaty Organisation

MINISTERIAL COUNCIL

The twenty-fourth session of the Council of Ministers of the Central Treaty Organisation (CENTO) was held in Tehran on 14 and 15 May. It was attended by delegations from all the member states – Iran, Pakistan, Turkey, Britain – and the associate member, the United States. The British delegation was led by Dr David Owen, Secretary of State for Foreign and Commonwealth Affairs. As representative of the host country, Dr Abbas Ali Khalatbary, Iran's Minister of Foreign Affairs, presided over the meeting.

As on previous occasions, the council meeting was preceded by a meeting of the CENTO Military Committee, held in Ankara on 30 and 31 March. The committee discussed military problems of common interest and reviewed the military exercises and training activities that had been carried out during the year. The annual meeting of the CENTO Economic Committee, to consider the projects and priorities assigned to the economic programme, took place in Islamabad from 20 to 22 March.

Dr Owen's Speech

In his speech at the opening session of the council, Dr Owen spoke of Britain's international commitments and the interdependence of nations, which had been reflected in the recent meetings in London of the Downing Street summit (see pp 226-8), the four-power summit meeting on Berlin (see p 223) and the North Atlantic Council meeting (see pp 220-2). 'It is appropriate that here today', Dr Owen said, 'I can reaffirm also our solid and continuing commitment to CENTO and our determination to contribute, within our capacity, to the effectiveness of the organisation.' Yet East-West divisions, though important, could not be isolated from the 'harsh realities of the world economic order'. The gap between the rich and poor nations was a constant reminder, the Foreign Secretary stated, of the importance of the North-South dialogue, and he referred to the contributions that all the members of CENTO would be making at the Conference on International Economic Co-operation (CIEC) ministerial meeting at the end of May (see pp 228-9). Nevertheless, in a rapidly changing world, old and trusted friendships and alliances had shown themselves to be as vital as ever, and the international diplomatic activity of 1977 had made it a year 'in which we can all renew our commitments; face up to the urgent task of overcoming gross inequalities in the international economy; and re-emphasise our obligation to contribute to peace and justice, respect for human rights, and prosperity worldwide'.

After reviewing the situation that had developed in Rhodesia (see pp 189-90), Dr Owen said that experience in Africa served as a forcible reminder that East-West *détente* could not be viewed simply as a European process or one confined to bilateral relationships between the two superpowers. The Secretary of State went on to say that 'the indivisibility of *détente* applied not only to Africa but to other regions of the world which had been or still were the scene of conflict, including the Middle East, the Mediterranean and Asia. The Communist countries had as much right as Western nations to develop their relations in these regions, Dr Owen stated, 'but the future credibility of *détente* depends on the restraint and sense of responsibility of all states . . . . That credibility must inevitably become strained as long as the Communist countries focus far too much of what aid they give on arms; and far too little on the basic economic needs of developing countries.'

The Foreign and Commonwealth Secretary concluded his speech by noting that, since the creation of CENTO, East and West had developed 'relatively sophisticated techniques for managing their relations' and had, in this way, made the world safer. CENTO had played an invaluable part in this process by contributing to collective security, and, if it could continue to sustain its cohesion and effectiveness, it would be equal to the challenge presented by the further development of *détente*.

Communiqué

In a communiqué issued at the end of the two-day meeting, the council noted with satisfaction the economic and social progress in the area. The ministers pledged continued support for CENTO and reaffirmed the vital importance they attached to the preservation of the independence and territorial integrity of each of the member states in the region. They also reviewed progress towards further promoting economic and cultural co-operation within the alliance and directed the Economic Committee to consider ways of expanding its work on development projects.

The ministers expressed satisfaction with the improvement of the situation in Lebanon and paid tribute 'to all those who are contributing towards the solution of this problem'.[1] Agreeing that the failure to achieve peace in the Middle East continued to constitute a grave threat to world peace, they reaffirmed the importance of efforts 'designed to achieve a settlement resulting in a just, honourable and durable peace in the Middle Eastern area as a whole'. The ministers exchanged views on developments in Europe and expressed 'their sincerest hopes' that the Belgrade review conference of the Conference on Security and Co-operation in Europe (CSCE: see p 95) would lead to a further relaxation of international tension.

The ministers noted the report of the Military Committee, and expressed satisfaction at the progress during the year in the improvement of co-operation among the partners in the military field. They also reaffirmed their resolve to eliminate the threat of subversion in the region. Finally, the ministers reiterated their determination to ensure that the alliance should continue to 'contribute to the peace, security and stability of the region so as to promote further the social and economic welfare of its people'.

[1]The civil war in Lebanon which had lasted for about one and a half years was effectively brought to an end when an Arab League peace force, composed mainly of Syrian armed forces, moved into Beirut in November 1976 in order to oversee a ceasefire agreement negotiated by Arab leaders in Riyadh the previous month.

Downing Street Summit

The heads of State and Government of Britain, Canada, France, the Federal Republic of Germany, Italy, Japan and the United States met at 10 Downing Street, London, on 7 and 8 May under the chairmanship of the British Prime Minister. They were accompanied by their foreign and finance ministers. The Prime Minister, Mr Callaghan, represented Britain and was accompanied by the Chancellor of the Exchequer, Mr Denis Healey, and the Foreign and Commonwealth Secretary, Dr David Owen. The President of the European Commission, Mr Roy Jenkins, attended meetings on 8 May to discuss those matters which were considered to fall within Community competence.

In a statement made in the House of Commons on 9 May (*Hansard*, cols 901-3), Mr Callaghan said that the meeting had been called because of a general wish among the leaders of the major industrial democracies 'to consult, to exchange experiences and ideas and to harmonise as far as possible' their responses to shared problems. The heads of State and Government had been able to share views with the new American administration, to review the state of the world's economy and examine present policies against inflation and unemployment. They had also discussed the policies needed to attain a successful conclusion to the Conference for International Economic Co-operation (CIEC: see pp 18-21, 1976 and pp 228-9). Mr Callaghan said they had 'readily responded' to the President of the United States' call for close examination of the need to conserve energy and of the dangers of nuclear proliferation. Those attending the summit, he said, ended their discussions with the confidence that their democratic systems had the resilience and inner strength to surmount present difficulties. They perceived that the world economy must be managed increasingly as one. They had pledged themselves to a programme 'aimed not simply at their own future prosperity but in working for that prosperity to be more fairly shared in a safe and peaceful world'.

The summit followed similar meetings at Rambouillet in 1975 (see pp 483-4, 1975) and Puerto Rico in 1976 (see pp 284-5, 1976).

The following communiqué was issued at the end of the London meeting:

Declaration

In two days of intensive discussion at Downing Street we have agreed on how we can best help to promote the well-being both of our own countries and of others.

The world economy has to be seen as a whole; it involves not only co-operation among national governments, but also strengthening appropriate international organisations. We were reinforced in our awareness of the inter-relationship of all the issues before us, as well as our own interdependence. We are determined to respond collectively to the challenges of the future.

– Our most urgent task is to create more jobs while continuing to reduce inflation. Inflation does not reduce unemployment. On the contrary it is one of its major causes. We are particularly concerned about the problem of unemployment among young people. We have agreed that there will be an exchange of experience and ideas on providing the young with job opportunities.

– We commit our governments to stated economic growth targets or to stabilisation policies which, taken as a whole, should provide a basis for sustained non-inflationary growth, in our own countries and world-wide, and for reduction of imbalances in international payments.

– Improved financing facilities are needed. The International Monetary Fund [IMF] *must play a prominent role. We commit ourselves to seek additional resources for the IMF and support the linkage of its lending practices to the adoption of appropriate stabilisation policies.*

– We will provide strong political leadership to expand opportunities for trade to strengthen the open international trading system, which will increase job opportunities. We reject protectionism: it would foster unemployment, increase inflation and undermine the welfare of our peoples. We will give a new impetus to the Tokyo Round of Multilateral Trade Negotiations. Our objective is to make substantive progress in key areas in 1977. In this field structural changes in the world economy must be taken into consideration.

– We will further conserve energy and increase and diversify energy production, so that we reduce our dependence on oil. We agree on the need to increase nuclear energy to help meet the world's energy requirements. We commit ourselves to do this while reducing the risks of nuclear proliferation. We are launching an urgent study to determine how best to fulfil these purposes.

– The world economy can only grow on a sustained and equitable basis if developing countries share in that growth. We are agreed to do all in our power to achieve a successful conclusion of the CIEC

[Conference for International Economic Co-operation] *and we commit ourselves to a continued constructive dialogue with developing countries. We aim to increase the flow of aid and other real resources to those countries. We invite the COMECON countries to do the same. We support multilateral institutions such as the World Bank, whose general resources should be increased sufficently to permit its lending to rise in real terms. We stress the importance of secure private investments to foster world economic progress.*

To carry out these tasks we need the assistance and co-operation of others. We will seek that co-operation in appropriate international institutions, such as the United Nations, the World Bank, the IMF, the GATT [General Agreement on Tariffs and Trade] *and OECD* [Organisation for Economic Co-operation and Development]. *Those among us whose countries are members of the European Economic Community intend to make their efforts within its framework.*

In our discussions we have reached substantial agreement. Our firm purpose is now to put that agreement into action. We shall review progress on all the measures we have discussed here at Downing Street in order to maintain the momentum of recovery.

The message of the Downing Street Summit is thus one of confidence:
– in the continuing strength of our societies and the proven democratic principles that give them vitality;
– that we are undertaking the measures needed to overcome problems and achieve a more prosperous future.

In an appendix to the declaration the heads of State and Government elaborated on these aims and outlined the economic situation confronting their own and other countries.

World Economic Prospects

The world economic situation had been improving gradually since 1975, although serious problems persisted in all the countries attending the summit. Progress against inflation had been uneven. The need for adjustment between surplus and deficit countries remained large. The world had not yet adjusted fully to the depressive effects of the oil price rise in 1974.

In committing their Governments to targets for growth and stabilisation it was noted that those countries which had adopted 'reasonably expansionist' growth targets for 1977 would keep their policies under review, and commit themselves to adopt further policies, if necessary, to achieve their stated target rates and to contribute to the adjustment of payments imbalances. Those countries pursuing stabilisation policies designed to provide a basis for sustained growth without increasing inflationary expectations would continue to pursue those goals.

These two sets of policies were inter-related in that those of the first group of countries should help to create an environment conducive to expansion in the others without adding to inflation. Only if growth rates could be maintained in the first group and increased in the second, and inflation tackled successfully in both, could unemployment be reduced.

Balance of Payments Financing

For some years to come, the appendix continues, oil-importing nations, as a group, would be facing substantial payments deficits and importing capital from members of the Organisation of Petroleum Exporting Countries to finance them. The deficit for the current year could run as high as $45,000 million. Only through a reduction in dependence on imported oil and a rise in the capacity of oil-producing nations to import could that deficit be reduced.

The deficit needed to be distributed among the oil-consuming nations in a pattern compatible with their ability to attract capital on a continuing basis. It would take much international co-operation, and determined action by surplus as well as deficit countries, if continuing progress was to be made. Strategies of adjustment in the deficit countries would have to include emphasis on elimination of domestic sources of inflation and improvement in international cost-price relationships. It was important that industrial countries in relatively strong payments positions should ensure continued adequate expansion of domestic demand, within prudent limits. Moreover, these countries, as well as other countries in strong payments positions, should promote increased flows of long-term capital exports.

Having called on the IMF to play a prominent role in balance of payments financing and adjustment, and having endorsed the recent agreement of the Interim Committee of the IMF to seek additional resources and to link IMF lending to the adoption of appropriate stabilisation policies, the members of the summit reaffirmed their intention to strive to increase monetary stability. The heads of State and Government agreed that the international monetary and financial system, in its new and agreed legal framework, should be strengthened by the early implementation of the increase in quotas, and said they would work towards an early agreement within the IMF on another increase in quotas.

Trade

Among the key areas of the Tokyo Round in which the summit members aim to achieve substantive progress in 1977 are a tariff reduction plan of broadest possible application designed to achieve a substantial cut and harmonisation and, in certain cases, the elimination of tariffs; codes, agreements and other measures that would facilitate a significant reduction of non-tariff barriers to trade and the avoidance of new barriers in the future, and that would take into account the structural changes which have taken place in the world economy; and a mutually acceptable approach to agriculture that would achieve increased expansion and stabilisation of trade, and greater assurance of world food supplies.

While seeking to conclude comprehensive and balanced agreements on the basis of reciprocity among all industrial countries, the heads of State and Government determined, in accordance with the aims of the Tokyo Declaration (see p 394, 1973),

to ensure that the agreements provide special benefits to developing countries.

They welcomed the action taken by Governments to reduce counter-productive competition in officially supported export credits, and proposed that substantial further efforts be made in 1977 to improve and extend the present consensus in this area.

The summit members considered that irregular practices and improper conduct should be eliminated from international trade, banking and commerce, and welcomed the work being done toward international agreements prohibiting illicit payments.

Energy

The heads of State and Governments' objective was to meet the world's energy needs and to make peaceful use of nuclear energy widely available, while avoiding the danger of the spread of nuclear weapons. They also agreed that, in order to be effective, non-proliferation policies should as far as possible be acceptable to both industrialised and developing countries alike.

The preliminary analysis of the best means of advancing these objectives announced in the Declaration is to be completed within two months. It will include the study of terms of reference for international fuel cycle evaluation. The summit members recognised that the oil-importing developing countries had special problems both in securing and paying for the energy supplies needed to sustain their economic development programmes. They required additional help in expanding their domestic energy production and to this end it was hoped that the World Bank, as its resources grew, would give special emphasis to projects that served this purpose.

North/South Relations

The summit members intended to work towards a successful conclusion to the CIEC as announced in the Declaration. They aimed to increase the flow of aid and other real resources and to improve the effectiveness of aid. They also intended to work to facilitate developing countries' access to sources of international finance and to continue to improve access in a non-disruptive way to the markets of industrial countries for the products of developing nations.

It was desirable, they said, that these actions by developed and developing countries be assessed and concerted in relation to each other and to the larger shared goals. They hoped that the World Bank, together with the IMF, would consult with other developed and developing countries in exploring how this could best be done.

Conference on International Economic Co-operation

The Conference on International Economic Co-operation (CIEC), sometimes known as the North-South conference, held its final meeting at ministerial level in Paris from 30 May to 2 June. First convened in December 1975 (see pp 18-21, 1976) the conference has formed one of the focal points of the North-South dialogue which is being conducted between the western industrialised countries and the developing nations with a view to securing a more equitable balance in the world's economy. Its purpose was to make 'concrete proposals for an equitable and comprehensive programme for international economic co-operation', and in so doing to facilitate 'a significant advance in international economic co-operation and make a substantial contribution to the economic development of the developing countries'. In its deliberations, the conference examined a wide variety of issues, principally within four commissions set up to examine each of the main areas of concern to it: energy; raw materials; development; and finance.

The participants in the conference comprised eight representatives of the western industrialised countries (including a representative of the European Community), known as the Group of Eight; and seven members of the Organisation of Petroleum Exporting Countries and 12 developing nations, collectively referred to as the Group of 19. In addition, the conference was attended by observers from other organisations intimately involved in the North-South dialogue, including representatives of the United Nations Conference on Trade and Development (UNCTAD: see pp 285-8, 1976), the International Monetary Fund (see pp 192-3), the World Bank (see pp 432-4, 1976), the United Nations Industrial Development Organisation, and the General Agreement on Tariffs and Trade (GATT: see p 394, 1973).

The Conference's Report

At the end of the ministerial session, the conference adopted unanimously a report which recorded agreement on a number of measures designed to close the gap between the rich and poor countries, and referred others, on which full agreement had not been possible, for further 'intensive consideration ... within the United Nations system and other existing, appropriate bodies'. In particular, good progress was made in regard to the developing countries' demand for a common fund for commodities (see pp 285-8, 1976), it being agreed that such a fund should be established and that its precise nature and objectives should be negotiated at an UNCTAD meeting in Geneva in November. Other progress in the raw materials and trade aspects of the dialogue included agreement on measures for international co-operation in the field of marketing and distribution of raw materials; on ways to assist importing developing countries to develop and diversify their natural resources; on improvements in the generalised system of preferences schemes operated by the industrialised countries; and the identification of areas for special and more favourable treatment for developing countries in the multilateral trade negotiations currently under way under GATT auspices in Tokyo (see p 394, 1973). A significant step forward was also made in the field of development assistance, the Group of Eight making a collective commitment to the idea of substantial and effective increases in aid and improvements in its quality. The Group of Eight also maintained its offer of a $1,000-million

special action programme of fast disbursing aid to assist low-income countries facing general resource-transfer problems (see p 187). Agreement was also reached on measures to assist infrastructure development in developing countries, particularly those in Africa. Issues on which agreement was not reached included the debt problems of developing countries; the protection of the purchasing power of developing countries; measures relating to compensatory financing; the protection of foreign investment; and arrangements for continuing energy consultation.

The developed countries participating in the conference, the report recorded, while regretting that it had not proved possible to reach agreement on some important issues, 'welcomed the spirit of co-operation in which the whole conference took place and expressed their determination to maintain that spirit as the dialogue between developed and developing countries continues in other places'. For their part, the members of the Group of nineteen felt that the conference's conclusions fell 'short of the objectives envisaged for a comprehensive and equitable programme of action designed to establish the new international economic order'. They agreed with the Group of Eight, however, that the conference had 'contributed to a broader understanding of the international economic situation and that its intensive discussions [had] been useful to all participants. They agreed that CIEC was only one phase in the ongoing dialogue . . . which should continue to be pursued actively in the UN system and other existing, appropriate bodies.'

The European Community and the Dialogue

Addressing the conference on 30 May in his capacity as President of the European Community's Council of Ministers, Britain's Foreign and Commonwealth Secretary, Dr David Owen, expressed the Community's 'deep commitment to constant progress in the permanent dialogue between industrialised and developing countries of which the CIEC is an outstanding example. We are', he continued, 'totally dedicated to the elimination of poverty and disease and to the growing worldwide co-operation which is necessary to achieve that aim'.

Reviewing the progress made in the dialogue in the eighteen months since the CIEC was established, Dr Owen pointed to the agreement by all participating countries to the principle of a common fund for commodities, with regard to which the Group of Eight had put forward proposals designed to give a strong impetus to the UNCTAD negotiations scheduled for November; to improvements in the International Monetary Fund's system of compensatory finance (see pp 192-3); and to the collective commitment of the Group of Eight, contained in proposals before the conference, to the idea of substantial and effective increases in aid, of specific measures for this purpose, and of a review of implementation. With regard to the debt issue, Dr Owen continued, the Community and the United States had responded to the resolution adopted by UNCTAD in 1976 (see pp 285-8, 1976) by putting forward important proposals not merely for acute debt crises but for remedial action to help aid-dependent countries in long-term situations. Again, as a result of discussions within the CIEC, a far greater mutual understanding of the energy problems faced by all the participants had been achieved, and Dr Owen hoped that this would be further improved by an agreement to establish a consultative framework for energy; and the wide divergences of views over such issues as investment and the protection of the purchasing power of producers of raw materials had been narrowed.

While hoping that the conference would reach agreement on many of these issues in its ministerial session, Dr Owen recognised that it could not solve all the problems. 'The North-South dialogue will and must continue in many forums', he explained, and after the CIEC was over, 'it will be vital to continue to build on the efforts we have made together to ensure that the world's economic system is constantly improved. We are only at the beginning of a process which must now gather momentum and commitment.'

Commonwealth Development Corporation

ANNUAL REPORT

The report and accounts of the Commonwealth Development Corporation (CDC) for 1976, published in May,[1] show continued expansion on the part of the corporation in helping to further economic growth in developing countries. At the end of the year, the corporation was involved in some 250 projects in 41 countries (six of them – Costa Rica, Indonesia, Thailand, Ethiopia, Cameroon and the Ivory Coast – outside the Commonwealth), with an estimated investment commitment of £299·5 million, some £32·7 million more than at the end of 1975. Actual investments totalled £234·7 million as compared with the 1975 total of £217·6 million. Of the total committed, 45·4 per cent was for basic development, including power and water, housing and transport; 35 per cent for primary production and processing; and 19·6 per cent for industry and commerce. New investment commitments during the year amounted to £38·03 million.

The CDC is a statutory body, established in 1948, whose main source of funds is exchequer advances, which are allocated from the aid programme. Since 1969 it has been empowered to operate in both Commonwealth and non-Commonwealth countries. It invests in the development of resources, material and human, choosing its projects principally for their development value to the country concerned. Its projects are required to operate on business-like lines, so as to provide a reasonable rate of return on the money invested. Its operations, undertaken only with the full consent and encouragement of the host countries, are complementary to official aid programmes, to private sector investment and to international measures aimed at improving the terms of trade of developing coun-

[1] *Commonwealth Development Corporation: Report and Accounts 1976.* HMSO, £2·50.

tries. Within this overall strategy, preference is given to projects which generate foreign exchange earnings or which result in savings in foreign exchange, thereby helping to improve the balance of payments of the host country; which encourage savings and assist credit formation, thus reducing reliance on borrowing abroad; which create local job opportunities, foster management capability and spread technical knowledge; and which contribute to greater income equality inside the developing country. In addition, CDC investments are directed in the main towards the poorer countries and, so as to reach the greatest number of the poorest people in those countries, towards the development of natural resources, since the majority of the world's poorest live in the rural areas. This emphasis is in line with that of Britain's aid policy in general (see pp 446-8, 1975).

CDC Investments and Outstanding Commitments by Region at end-1976

£ thousand

Region	Invested	Outstanding commitment
Caribbean	52,292	5,332
East Asia and the Pacific Islands	57,939	26,338
East Africa	39,194	13,362
Central Africa	43,211	9,171
Southern Africa	28,293	6,368
West Africa	12,162	4,254
Other Areas	1,583	–
Total	234.674	64,825

General Review

During the year, CDC made considerable progress in re-aligning new commitments – aimed preponderantly at the poorer countries and at renewable natural material resources projects – in accordance with its 1975 agreement with the Ministry of Overseas Development (see pp 242-4, 1976). Of the £38·03 million provided for new commitments, 79 per cent was placed in the poorer countries and 71 per cent for renewable natural resources projects, bringing cumulative percentages for 1975 and 1976 to 75 per cent and 65 per cent respectively. The 1976 commitments were spread over 24 projects in Africa, the Caribbean, Asia, and the Pacific and embraced the planting of a variety of crops including rubber, oil palms, tea, sugar, citrus, tobacco, maize and wheat; the production of seeds, beef and dairy products; and afforestation projects. There were also industrial projects for the manufacture of textiles, pure alcohol, and lime for the copper industry, and for the construction of factory buildings in industrial estates. Additionally, there were loans for basic development including electricity generation, water supplies and housing.

Within its support for agricultural development, CDC attaches considerable importance to projects which seek to show small farmers, hitherto living at subsistence levels, how to become more productive. (In addition to being labour intensive, there is increasing evidence that, with adequate supporting services, small farms in tropical zones produce higher yields than do large holdings.) By encouraging farmers to produce more than the immediate requirements of their own families and by providing orderly marketing and distribution services, surpluses are earned which contribute towards the cost of improving the quality of life in the countryside, without which no rural development projects will succeed in the long run. Thus the types of agricultural projects sponsored by CDC are often forerunners of wider rural development in the areas in which they are located, since the revenue from increased production of crops justifies the provision of social and other services such as agricultural extension, rural roads, water supplies, schools, clinics and market places. In many parts of Africa and East Asia prosperous and thriving communities have grown up around CDC agricultural projects, serving the needs of those engaged on the projects and their dependants, and in some cases producing surplus food for urban communities.

CDC is distinguishable from other development agencies in that it combines the provision of risk capital and long-term finance with a comprehensive range of management and technical services. At the end of 1976, CDC was managing or providing key management staff for some 60 projects, mainly in agriculture schemes, development finance companies set up in partnership with overseas Governments, and housing and mortgage finance projects. The established CDC-managed projects act as nurseries for training managers of the future, both indigenous and expatriate; and through them CDC is able to provide practical training on the job in a wide range of management, technical and professional skills, supplemented where necessary by external specialist courses, or, in the general sphere of agriculture, by attachment of trainees to its own agricultural management training centre in Swaziland. During 1976, CDC added significantly to its management responsibilities through the acceptance of corporate responsibility for the management of a major new project for growing and processing oil palms in partnership with the Government of Papua New Guinea and in association with a World Bank smallholder project nearby. CDC also agreed to provide management for an industrial estates project in Thailand, and provided an experienced tea estates manager to a joint venture agricultural company with the Government of Indonesia and British private interests, which has embarked on a rehabilitation and expansion programme in West Java.

In January 1977, CDC's powers to borrow were extended from £260 million to £500 million, of which £480 million (previously £240 million) may be lent by the Treasury. These limits may be raised by an administrative order to £510 million and £550 million respectively. This will enable CDC to expand further its activities on behalf of developing countries.

The Caribbean

Participation in a new industrial project in St Lucia, a distillery firm, and supplementary commitments to two established projects in Jamaica, dairy development and mortgage finance operations, partly offset by the sale of CDC investments in a hotel firm in

Bermuda, brought CDC's total commitment in the Caribbean region to £57·62 million. In addition, in line with CDC's current priority guidelines, a number of agricultural development proposals were investigated during the year, particularly in Belize (banana and cattle industries), Guyana, Costa Rica (oil palm development) and St Lucia.

The progressive involvement of local interests in the financing and control of established projects was taken a step further during 1976 with the transfer of CDC's wholly-owned electricity supply project in Dominica to a limited company in which the Dominica Government and CDC are partners. In line with the same objectives, CDC's continuing programme of recruitment and training of local staff enabled further devolution of managerial responsibility in its electricity supply projects in Dominica, Grenada, Montserrat, St Lucia and St Vincent, and in the mortgage finance companies in Barbados, Dominica, Guyana, St Lucia, St Vincent and Trinidad and Tobago. As a result, the two CDC companies which previously provided management and consultancy services to these projects were closed down at the end of 1976.

East Asia and the Pacific Islands

During the year, CDC commitments in this region rose sharply by £21 million to bring the total to £84·28 million. Some £16·53 million of the increase was accounted for by agricultural projects in Malaysia, Thailand, Indonesia and Papua New Guinea. In the last, CDC, in its first investment in the country, committed £8 million to the nucleus estate and factory of an oil palm project in the country's Northern Province. CDC is a partner with the Papua New Guinea Government in the project, while the World Bank has committed $12 million for an associated smallholder scheme. Together, these projects will provide direct employment for some 1,400 people and a livelihood for a similar number of smallholder families. CDC-World Bank co-operation is also being developed in Thailand where CDC lent £3·4 million, alongside a World Bank commitment of $50 million, in support of the replanting of rubber lands in the south and east of the country. Other agricultural projects supported included a new sugar plantation and refinery project in Malaysia (to which CDC made a £5 million loan), a tea and rubber estate development project in Indonesia, and, with a supplementary investment of £1·05 million, an oil palm plantation scheme in the Solomon Islands. In other sectors, CDC made supplementary commitments to a hydro-electric power scheme in Malaysia, and to three textile plants in Indonesia. In Thailand, it provided £620,000 to a new company producing pre-built factories for industrial estates.

Africa

In East Africa, where CDC has about 60 projects spread over Kenya, Uganda, Tanzania, Mauritius, Seychelles and Ethiopia, supplementary commitments of £3·99 million brought total CDC commitments in the region to £52·56 million. The additional finance was provided for mortgage finance (£2·8 million) and agricultural credit (£650,000) operations in Kenya, and in support of a seed producing firm in Tanzania. Since the end of 1976, approval has been given for an additional investment of £5 million in the expansion of a sugar mill in Kenya.

In Central Africa (Zambia, Malawi and Zaïre), supplementary commitments of £7 million brought CDC's total commitment to the region to £52·38 million. This figure includes CDC's loan to the Central African Power Corporation, made in 1956, the balance of which now stands at £13·43 million. In Malawi, loans of £500,000 and £2·5 million were approved for two smallholder tobacco production schemes, which are designed to encompass 1,450 small farmers by 1981 (700 at present), and of £1 million to finance the expansion of the Blantyre city water supply. The only commitment in Zambia was a £3 million loan for the expansion of a lime-producing company, though disbursements totalling £3·3 million from previous loans were made in respect of smallholder tobacco production, electricity supply and sugar manufacture.

New commitments in southern Africa in 1976 amounted to £4·32 million. All of this was provided for projects in Swaziland, although at the end of the year negotiations were well advanced for a loan of £1·4 million for the Botswana Housing Corporation (to which CDC has already lent £1 million). No new projects were started in the region, but a three-year development plan for 1976-78 costing an estimated £3·56 million was approved for the Swaziland Irrigation Scheme, a wholly-owned CDC project producing citrus and sub-tropical fruits, sugar-cane, beef cattle and rice. Further investments were approved for a forestry development project, an irrigated farm scheme producing sugar, and the Mananga Agricultural Management Centre.

CDC projects in West Africa (Ghana, Nigeria, Sierra Leone, The Gambia, Cameroon and Ivory Coast) numbered 22 at the end of 1976. This was one less than in 1975, CDC having sold its interest in the Nigerian Industrial Development Bank to the Nigerian Government in keeping with its policy of disposing of investments in firmly established projects. CDC efforts in the region in 1976 were largely focused on finding new agricultural projects, and in Ghana this has led to an invitation to CDC to participate, with both finance and management, in a nucleus estate and smallholder oil palm project. In the Ivory Coast, CDC invested a further £1·2 million in a rubber plantation, and began investigations into further agricultural projects involving smallholders.

National Enterprise Board

The first annual report of the National Enterprise Board (NEB), set up under the Industry Act 1975 (see p 486, 1975), was published in May.[1] The introduction to the report by the board's chairman, Lord Ryder, summarised the aims of the NEB, the opportunity it had to help British industry to expand and prosper and its important role as a central instrument of industrial policy. Lord Ryder emphasised that the NEB should show over time a

[1] *National Enterprise Board: Annual Report and Accounts 1976*. Available from the NEB, 12-18 Grosvenor Gardens, London SW1W 0DW. £1.25.

commercially acceptable return on its investments; he said that strong and profitable companies created wealth for the country and also employment, and it was no part of the NEB's policy to support non-viable companies simply in order to maintain jobs. Lord Ryder said that the NEB was a bridge between public and private sectors, a bridge essential in a mixed economy. Much of the first year had been engaged in preparation and groundwork, but a number of new investments had also been made in 1976. He said that 1977 promised to be a year of major growth for the NEB.

The main sections of the report are concerned with the NEB's aims and functions; a review of its activities over the year; its major holdings; developments since the end of 1976; and the boards' accounts. Four appendices contain a number of directions to the NEB and a register of its members' interests. A brief survey of some of the NEB's activities as described in the report is given below.

REVIEW OF THE YEAR

The NEB is a public corporation whose statutory purposes are set out in the Industry Act 1975. It is financed partly from the National Loans Fund (loans on which it pays interest) and partly in the form of public dividend capital voted by Parliament. Its main function is the provision of finance for industrial investment. Complementary to this is its function as a holding company for shareholdings in industrial companies which it has acquired through its industrial financing or which have been transferred to it by the Government (see p 356, 1976).

By the end of the year, the NEB had interests in 13 companies (excluding loans to machine tool companies), representing assets employed of £959 million and producing a group profit before tax of £51 million. Turnover of the NEB and its subsidiaries was £2,750 million, including exports of £1,015 million. Return before taxation on capital employed by the NEB and its subsidiaries was 11·8 per cent. Income receivable by the NEB itself exceeded interest payable to the Government by £1·02 million, but administration expenses of the NEB (mainly rent and salaries) and, earlier, of the NEB organising committee, during a period when the board's new investment activities were only just beginning to bear fruit, resulted in an overall deficit of income of some £1·09 million by the end of 1976. From 1977 onwards it is expected that the NEB's income will be enough to cover its expenses. The report shows that last year the NEB invested a total of £75·3 million in the form of public dividend capital and loans from the National Loans Fund. Borrowings of wholly-owned subsidiaries amounted to £33·3 million.

Considerable attention has been paid to establishing good relations with the management of the companies whose shareholdings were transferred to the NEB, and the board has stated that it has no intention of usurping the responsibilities of company boards nor of intervening in matters of day-to-day management. It recognises, however, that companies have certain obligations towards the NEB as a controlling or substantial shareholder or provider of loan finance.

During the year the NEB invested a further £67·6 million in companies transferred from the Government. New investments were made in a number of small to medium-sized companies for the purposes of expansion and modernisation.

A major priority of the NEB is to find ways of using its funds to promote exports and, in particular, to enable Britain to secure a larger share of contracts in the Middle East and other oil-producing countries. The NEB has made known its willingness to take part in joint ventures, thus sharing the risks of the contracts, so long as there is the prospect of an adequate return to the board.

In March 1976, the NEB invited applications from individual machine tool companies for the provision of finance on commercial terms for building machine tools for stock. By the end of the year, four companies had concluded loan agreements involving a total commitment of £5·7 million. By April 1977 (when the scheme closed), another five companies had signed agreements, bringing the NEB's aggregate commitment to £5·9 million.

The NEB is expected, according to its terms of reference, to give particular weight to the creation of new jobs in areas of high unemployment. It has accordingly appointed Regional Directors to serve the North West and Northern regions, where problems of unemployment are especially acute. Their promotional work has resulted in a number of specific investment proposals, some of which have been announced in 1977.

Review of Major Holdings

A summary is given in the report of developments in the board's five major holdings and six associated companies during the year. This includes a report on British Leyland Ltd and on each of the group companies, Leyland Cars, Truck and Bus, Leyland Special Products and Leyland International. The other major holdings described are Data Recording Instrument Co Ltd, Ferranti Ltd, Herbert Ltd and Rolls-Royce Ltd, and among the associated companies, Agemaspark Ltd, The Cambridge Instrument Co Ltd, ICL Ltd, Reed & Smith Holdings Ltd, Sinclair Radionics Ltd and Twinlock Ltd.

Developments since 1976

The production shortfalls in February and March in the Cars Division of British Leyland made it necessary to carry out a thorough-going review both of current plans and of the longer term corporate plan (see p 354, 1976 and p 236).

In parallel to the continuing work on large overseas contracts, the NEB is taking an active part in helping to exploit overseas marketing opportunities for British products and services by supplying equity capital. Major initiatives have been taken in two sectors so far. A wholly-owned subsidiary of the NEB, INSAC Data Systems Ltd, has been set up (see p 125) and agreement has been reached with Computer Analysts and Programmers (Holdings) Ltd for the acquisition of a 29·9 per cent shareholding by the NEB. The other initiative has been to set up a new company, United Medical Company International Ltd, to act as a wholesaler of British medical supplies overseas, taking over the existing contracts of a subsidiary of Allied Investments Ltd. The NEB and Allied

Investments respectively hold 55 per cent and 45 per cent in the new company.

Regional activities have included several new investments. In addition, the NEB was asked by the Prime Minister to undertake a special investigation into the investment potential in Merseyside and the North East areas, to offset the consequences of the proposed closures and redundancies in the Plessey telecommunications factories and the existing high levels of unemployment in these areas.

Five further announcements of new investments had been made by mid-April 1977 and a number of other cases were in the process of investigation or awaiting completion.

Industrial Awards

The Queen's Awards for Export and Technology and the Design Council Awards were recently announced.

QUEEN'S AWARDS

The Queen's Awards for Export and Technology, published on 21 April, are in two categories: the Queen's Award for Export Achievement, and the Queen's Award for Technological Achievement (see p 256, 1976).

There are 125 awards this year, comprising 106 for export achievement and 19 for technological achievement. This is the largest number of awards to be made since the scheme began in 1966. The number of applications received for awards, at 1,809, was also the largest recorded. The recipients represent a wide spread of industrial and commercial activity and size of company, and Scotland, Wales and all regions of England are represented. The list includes seven awards won by companies belonging to the General Electric Company (GEC); a total of 48 awards has now been won by GEC companies since the scheme started. The list also includes exporters of textiles and clothing, ships, telecommunications cables, gas turbines, medical products, process plant and electronic navigational aids, and a wide range of other products and equipment. For technological innovation the awards cover such advances as the development of an airfield surface movement indication radar; a selective herbicide; a device for pollution control in vehicle exhaust systems; and an in-seam mining machine.

The following contains details of some of the companies and products which received awards.

Export Achievement

Among companies receiving awards for export achievement are a number of engineering firms. John Brown Engineering (Clydebank), which receives its fourth export award, has consistently exported well over 75 per cent of its production of gas turbines. Exports are made to over 30 countries and the firm has been particularly successful in the Middle East. Another engineering firm receiving an export award is Davy-Loewy, a member of the Davy International group; it designs, manufactures and installs all types of rolling mills, hydraulic forging presses, ancillary equipment and control systems. In the past three years exports have increased fourfold to over 60 per cent of total sales. GEC Turbine Generators, which also receives an award, is a major part of the power engineering activity of the General Electric Company, and is responsible for the design, manufacture and installation of steam turbine generators of ratings from 10 megawatts to 1,200 megawatts for fossil-fired and nuclear power stations. It also exports a wide range of ancillary equipment. In the last three years the company's exports have almost doubled and constitute a consistently high proportion of total sales. Ruston Gas Turbines, which receives an award, is also a member of the GEC group. This company manufactures a range of industrial gas turbines specifically designed for use by the oil and gas industries. Exports are made throughout the world, principally to markets which are oil or gas producers, and have almost trebled over the last three years.

In the shipbuilding industry, Austin and Pickersgill has received an export award. This firm of shipbuilders specialises in the export of standardised general cargo vessels of 15,000 tons deadweight and bulk carriers of 26,000 tons deadweight. With long established markets in western Europe, Liberia and Panama, its recent export successes include sales to Cuba, Hong Kong, Finland, Norway and the Netherlands. The company has licensing agreements for production of both types of vessel in Argentina, Brazil and Greece. Export sales have doubled in the last three years and represent over 80 per cent of total sales. Vosper Thornycroft, which receives its second award, is a firm of shipbuilders, shiprepairers and engineers. It exports warships, weapons systems, machinery controls and stabilisers. Major export markets are the Middle East, Africa, South America and the Caribbean. The company has been very successful in securing orders not only for frigates but also for smaller ships such as corvettes and patrol boats. The value of exports has increased fourfold in the last three years.

Laura Ashley is a firm of textile printers and dyers, and manufacturers of ladies' and children's garments and wallpapers. The company has established regular markets in western Europe, North America and Australia and has retail shops in France, the Netherlands, Germany, Switzerland and the United States. In the last three years exports have increased sixfold. Marks and Spencer also receives an export award. This major chain store group, selling mainly clothing, foodstuffs, footwear, home furnishings and other textiles, exports to 40 countries. It has been particularly successful in recent years in setting up its own stores elsewhere in Europe and in Canada and in extending its *St Michael* shops and retail sections in overseas stores. In the last three years exports have doubled.

An export award has been received by BICC Telecommunications Cables, part of the BICC group, which is responsible for the manufacture and installation of telephone cables, plant and ancillary equipment. Its major export markets are in the Middle and Far East and Africa. The firm has been particularly successful in Indonesia. In the last

three years exports have more than trebled and now represent about half of total sales. The British Airways Board's net overseas earnings have almost doubled in the last three years. The principal sources of earnings are the provision of passenger, freight and mail transport, handling and engineering services, training and technical assistance and computer services. Recent achievements include the overseas promotion of inclusive tours to Britain and major increases in earnings and market share on Middle East services.

EMI Medical has continued its outstanding success in exporting computerised X-ray diagnostic systems which gained the company two previous awards. The EMI Scanner, a computerised axial tomography brain X-ray system, received an award for technological innovation in 1973. Two completely new systems for whole body scanning were introduced in 1975 and 1976, one of which also gained EMI's Central Research Laboratories an award for technological achievement in 1976. Exports have increased more than sixfold in the last three years. Another company to receive an award is Foster Wheeler. As process plant contractors this company designs, engineers, procures and constructs petroleum refining, fertiliser, petrochemical and chemical plants and heat transfer equipment, furnishes services for oilfield development and manages projects associated with these activities. The overseas group of the company is solely concerned with export markets. The value of the company's exports and its earnings from overseas services has more than doubled in the last three years. Recent achievements include major contracts for work in Iran, Bangladesh, Canada, Saudi Arabia and Yugoslavia. The Plessey Navaids Division of Plessey Electronic Systems is responsible for the design, supply, installation and maintenance of electronic navigational aids, together with the planning and implementation of complete airfield systems. Navaid's equipment is installed in over 40 countries. Over the last three years exports have increased sixfold and include major contracts in the Middle East and China. Another recipient of an export award is Portals Holdings. This group, with its nine United Kingdom subsidiaries, manufactures banknote and security paper, water treatment equipment, and counting, weighing and labelling machines. Exports are made to some 125 countries throughout the world and in the last three years have increased by 140 per cent. The group has subsidiary or associate manufacturing companies in ten overseas countries (in Europe, the United States, Australasia and the Far East).

Other recipients of the award for export achievement include Graff Diamonds, manufacturers of and dealers in diamond and gem set jewellery, whose exports, currently made to some 25 countries, have increased fourfold in the last three years; Dick James Music, whose overseas earnings, mainly from music publishing and recording royalties, have more than trebled in the last three years to earn it a third export award; Lesney Products and Co, whose exports of toys, hobby products and industrial diecastings to over 140 countries have doubled over the last three years; Quest Automation, whose exports of computer-based systems, mainly automated drawing systems and *Datapad*, a new computer system which reads hand printing as it is being written, have increased sevenfold in the last three years to reach almost 90 per cent of total sales; and the Royal Mint which exports circulation coins and blanks to over 60 countries and collectors' pieces throughout the world.

Technological Achievement

Among the companies which receive an award for technological achievement is the Hersham Division of Decca Radar. The award is gained for the development, in conjunction with the Civil Aviation Authority, of the Decca Airfield Surface Movement Indication Radar to provide ground movement control personnel with an aid to accident avoidance, surface traffic navigation and security, in conditions of low visibility. The company's equipment is currently installed at Heathrow Airport, Rome and Paris (Orly), and negotiations with other airports are taking place. A radar development by Marconi Space and Defence Systems also receives an award. The company has produced the *Blindfire* radar system for use with the *Rapier* low-level air defence missile system produced by the British Aircraft Corporation (now part of British Aerospace, see p 193). This radar detects and then tracks targets at a very low level with an accuracy previously only available by optical tracking methods.

The Agrochemical Division of Fisons receives an award for the development of a selective herbicide. The product is a member of the benzofuransulphonate group and has particular application in weed control of sugar-beet crops and is safe to use in ryegrass for the control of other grasses. Large-scale production is taking place at the company's new plant at Widnes and a substantial export market for the herbicide has been developed. An award for technological achievement has also been received by Johnson Matthey Research Centre, part of Johnson Matthey and Co, for the development of platinum alloy catalysts for pollution control in vehicle exhaust systems. In addition to the technical innovation in the design of catalyst systems, the centre has developed continuous processes for the production of the systems. Full-scale commercial production of catalytic emission control systems began in Britain and the United States in 1974.

The Mining Research and Development Establishment of the National Coal Board receives an award for the development of an in-seam mining machine. This is a cutting and loading system for underground use in coal and surrounding soft stone. It is claimed that the machine drives coal faces two to four times faster than conventional machines, has a wide range of operations, gives improved safety and substantially reduces extraction costs. Machines made under licence by Dosco Overseas Engineering are in use in Britain, and overseas trials of the equipment began in 1976.

An award is made to Paxman Diesels for the development of a range of diesel engines which are compact and give up to 50 per cent greater power for their size. The engines have been developed with the co-operation of suppliers of certain components and of the principal British users. Because of their compact size, the engines have a number of specialised applications, including the British Rail high-speed train (see p 407, 1976) and in naval

ships. A substantial number of engines has been sold, some overseas. Other recipients of awards for technological achievement include Henry Cooke, for the development of neutral sized transfer printing base paper specifically designed for textile transfer printing; the Plant Protection Division of Imperial Chemical Industries, for the development of *Pirimicarb*, a new specific aphicide, which is claimed to have high toxicity to all aphids combined with low toxicity to pollinators, predators and parasites; Land and Marine Engineering, for the development of techniques for the burial of sub-sea pipelines; Malvern Instruments, for the Malvern Correlator, an instrument developed to study the fundamental fluctuations of light signals, usually laser light; and Pitcraft, for the development of a chainless haulage system for longwall working in mines.

DESIGN COUNCIL

The Design Council awards for consumer and contract goods were announced on 2 April, those for engineering products and components and the motor vehicle industry on 26 April and the awards for medical equipment on 6 May.

Eight products, ranging from household articles, such as cutlery and tableware, to products showing technical innovation, such as a new digital clock, receive the award for consumer and contract goods. The awards take into account not only good design and appearance but also safety, ease of use and value for money as well as technical innovation and development. Among the products is a range of airfield lighting equipment (Thorn Lighting) which incorporates a mini *VASI* (Visual Approach Slope Indicator), recessed fittings for an airfield approach area, touchdown area, runway and taxiway and a unidirectional tungsten halogen approach light, which is light in weight but has high intensity. The whole system has been designed to enable servicing and replacement to be carried out instantly, which is essential in major airports, and is also corrosion resistant. The Topper sailing dinghy (J. V. Dunhill Boats) also receives an award. The dinghy is produced by a specially developed method of twinning two injection moulding machines which have the capacity to produce one dinghy every seven minutes. The boat is compact, easy to transport and to handle even for young and inexperienced yachtsmen. The Sovereign Calculator (Sinclair Radionics) is suitable for all arithmetic calculations and has a five-function memory. Apart from its high standard of finish in satin chrome, the calculator can be used with one hand due to the extension under the keyboard at the base of the instrument. Another electronic product to win an award is a digital clock (House of Carmen). The Countdown Clock has three functional buttons to adjust hours and minutes and to reset to zero so that the clock can be used as a timer; the clock is accurate to within 10 seconds a year and is fully automatic. The Concept range of tableware (Hornsea Pottery Company) is produced in the manufacturers' special glazing and pebble-polishing process. The pebble process has been translated into visual terms by producing a layered design of concentric circles, suggesting the ripples surrounding a pebble dropped into water. Other awards went to a range of Chinese ivory/black cutlery, a series of architectural ironmongery and a lighting system, Tubetrack 7 Lighting System (Concord Lighting International), which is the only available display system which combines electrical distribution and enables lighting, sound and power to be drawn from almost any point.

The Design Council engineering awards are divided into two sections, engineering products and engineering components. There are 12 awards this year, seven for engineering products and five for components. The products receiving awards include a truck-mounted telescopic boom crane (Cosmos Crane Company). Unlike the majority of its competitors, the 725 CM crane can lift its load through 360°. The overall length of the crane is only 11·8 metres while its turning circle is only 8·46 metres. The crane is fitted with a luxury chassis cab and an equally well-appointed crane cab. Another award winner is the Model 580 ratio recording infrared spectrophotometer (Perkin-Elmer). The ease of use and high accuracy of this instrument make it ideal for qualitative and quantitative analysis of solids, liquids and gases. When coupled to a computer, the Model 580 has even more potential, particularly for trace analysis, for example, with harmful residual pesticides. A compact business computer system produced by International Computers Ltd (ICL) receives an award. ICL has designed the 2903/2904 computer system, with simple additional hardware to increase the scope of the machine, to match the business growth of the user. The smallest unit is the 2903/20 general purpose digital computer with a small but powerful processor. Various additional items of equipment can be simply and inexpensively connected to the processor to increase its potential until the sophisticated programme capacity of the 2904 medium-size machine is reached. Chessell Ltd has gained an award for its Series 320 Multi-pen industrial indicator recorder. The recorder is capable of producing up to six continuous and overlapping pen traces on a calibrated chart to monitor complex plant and operations by personnel. The Trident and Bankers Treasury Safes (Chubb and Sons Lock and Safe Company) receive an award. These two ranges of safes between them offer the highest degree of protection in the company's range. The safes incorporate sophisticated materials designed to defeat the most experienced criminal and have an ingenious lock mechanism using isolator boltwork. Lancer Boss has become the only lift truck manufacturer to have won three awards. This year's award is gained for the 300 and 700 Series Sidelift Trucks. Designed to maximise the use of expensive storage space combined with fast, safe handling of long, cube or palletised loads, these sidelifts operate in gangways half as narrow as those required by front-lift trucks of similar capacity. Another award has been received by EMI-MEC for the Auto Sprint Series S Lathe (which also received a Queen's Award for Technological Achievement), a low-cost automatic lathe which departs from the traditional approach to design. The lathe has been designed for easy operation in jobbing machine shops where high volume repetitive turned parts have to be produced at highly competitive rates. It incorporates many features designed to enhance productivity, such as electronic sensors which enable rapid check settings to be made manually without keys or spanners.

Awards for engineering components include a range of highly engineered hydraulic pumps (Dowty Hydraulic Units) which provide the strength for a variety of mobile equipment such as industrial and agricultural tractors and fork lift trucks; a device, known as the Nibbler (Hymac), which can be fitted to the arm of a hydraulic excavator to break slab concrete up to 400 millimetres thick; a linear transporter (The Marine Engineering Company), which is the only known long-stroke actuator that successfully uses a magnetic coupling for transmission; a range of scaffold fittings (Press Components Company); and a torque regulated powered cable reel (Metropolitan Tool and Products) designed to ensure the efficient reeling out and recovery of electrical cable or hose supplying moving machinery. This reeling equipment uses a reliable slipping clutch instead of the more conventional torque motor.

Four of the five items which have won awards for the British motor vehicle industry, made in association with the Society of Motor Manufacturers and Traders, feature safety as a primary design consideration. The Diaphragm Spring 'Turnover' clutch (Automotive Products) has been designed to use the minimum amount of material compatible with the production of a high quality, reliable product. The clutch design reduces the number of parts from 23 to only four and is therefore considerably lighter than comparable clutches. Dunlop is the first company ever to win an award for a road surfacing material – Delugrip – the result of a joint research project between Dunlop and the Department of Transportation and Environmental Planning at the University of Birmingham; Delugrip has been designed to disperse surface water quickly to prevent loss of tyre grip following a cloudburst on a road which has been dry for a long period. It is not only extremely durable but also provides an appreciable reduction in road noise. An award is made for a fork lift mechanical roller conveyor (Joloda Transport Equipment) which moves along a channel in the floor of a vehicle to enable the driver or loader to push heavy palletised loads from one end of the van to another with ease. An automatic braking device ensures that the load cannot be damaged or fall off the vehicle being loaded. George Neville Truck Equipment has won an award for its Easysheet mechanised cover for open-topped commercial vehicles. Designed to overcome the problem of loads falling off open-topped lorries, the Easysheet is operated by the driver turning a handle to move the sheet on and off the load. In the open position, the Easysheet slides down the outside of the truck. An ingeniously simple wheel insert (Rubery Owen), which prevents a tyre coming off a wheel in the event of a sudden puncture, wins an award. The insert assists the driver in bringing the vehicle to a controlled stop in a straight line following a puncture at high speed.

For the first time the award scheme has been extended to prototypes or products of an innovative nature. Although none of those submitted received an award, the council has commended a prototype private car conversion designed by a seriously disabled driver for other disabled drivers.

The four awards for medical equipment are made in collaboration with the Department of Health and Social Security and the King Edward's Hopsital Fund for London. The products receiving awards include a range of acrylic teeth (AD International). The Cosmopolitan range of back teeth have special advantages for denture wearers. They are made in two moulds to suit young or middle-aged patients or the patient who has special problems with denture instability. The Maylite ophthalmoscope and battery handle receives an award for its clever design and ingenious use of modern plastics production techniques. All the major components are plastics mouldings and with other features, such as ease of repair, the ophthalmoscope has been a considerable export success. The instrument also incorporates a lens wheel with 20 positive and negative lenses of different focal lengths produced as a single plastics moulding. The Charnley-Howorth Sterile Operating Unit was designed by Sir John Charnley, Professor of Orthopaedic Surgery and Director of Research at Wrightington Hospital, Wigan, in association with Howorth Air Engineering. The main use of the operating unit is to prevent airborne infection of the wound during surgery of all kinds. An air-handling device provides a substantially downward and outward flow pattern of contamination-free air over the surgical team and the patient. Air is released from a ceiling-mounted diffuser system at a rate which is equivalent to 300 air changes an hour. Each member of the surgical team and the patient has a body exhaust system connected to a gown and mask.

The Wilj Gamma-Counting System 2001 (Wilj Electronics) enables doctors to identify allergies without causing the patient any discomfort. The system can also be used for a wider range of medical diagnosis. Designed specifically for the modestly equipped hospital laboratory, the system has a considerable price advantage over other similar equipment. Expandable from a manual counting unit to a fully automatic sampling system, the Wilj can be extended even further to include a data printer or a tape punch for use with existing shared off-line data processing facilities.

British Leyland's Investment Plans

A statement about British Leyland's investment plans, including the replacement programme for the Mini car, was made to the House of Commons on 26 May by Mr Eric Varley, the Secretary of State for Industry (*Hansard*, cols 1554-5).

Mr Varley said that on 2 March he had described three objectives towards which the National Enterprise Board (NEB) considered urgent action had to be taken. The first was that there should be a quick and complete return to normal working.[1] The second was that agreed levels of production and productivity had to be sustained. The NEB, Mr Varley continued, considered that in these respects progress

[1] A strike by British Leyland's toolmakers disrupted production between 21 February and 21 March.

had been satisfactory. There was a return to work on 21 March and, since the beginning of April, output in Leyland Cars had consistently met the level required by British Leyland's plans, and in several weeks these levels had been exceeded.

The NEB's third point was that the period before the next tranche of funds was required had to be used for discussions between management, trade unions and the workforce, which would result in tangible measures offering the prospect of a radical improvement in industrial relations in the future. These discussions were still taking place, and an important meeting was to be held in Birmingham on 27 May.

Mr Varley said that during March and April, British Leyland undertook a searching analysis of the courses open to it in future. The NEB reported to him on 5 May. The board concluded that if the conditions set out in the Ryder report (see p 204, 1975) could be met, it would still be in British Leyland's and the country's interests for the company to remain a producer of volume and specialist cars. The most vital of these conditions was a substantial improvement in industrial relations and productivity. The NEB considered, stated Mr Varley, that, even allowing for the achievements of recent weeks, progress so far had not been encouraging. There had been real advances in productivity, but these had been short-lived. The participation machinery held out important prospects for progress, but it had not been accepted everywhere. The Secretary of State said he took the opportunity of urging all in British Leyland to make use of this machinery.

The NEB therefore recommended that a final decision on the choice of strategy should be deferred to enable it to review British Leyland's investment plans in greater detail and that it would be reporting to the Secretary of State later in the year.

Mr Varley said that the work undertaken in the review had demonstrated to the satisfaction of the board that the replacement programme for the Mini car had a vital part to play in re-establishing British Leyland's position in cars. If the company was to meet its launch date an immediate decision was required on this programme on which the company ordered a halt during the toolmakers' dispute. The Secretary of State had therefore authorised the NEB to allow work on this programme to be resumed as soon as it was satisfied that sufficient tangible progress was being made towards measures that would put industrial relations on a new basis.[1]

The Ryder report had envisaged that British Leyland would require a further tranche of £200 million from public funds in mid-1977. The board had now advised the Secretary of State of its view that British Leyland's requirement in the summer would be considerably less than this, but it expected that further funds would be needed within the current financial year. Mr Varley stated that if progress was sufficient to justify an approach to the House of Commons for further advances, he should accompany the request with a report by the NEB on performance to date. The House would be right to expect this as a basis on which it could form its judgment.

Mr Varley concluded by saying that it was this Government which had saved Leyland in 1975 and safeguarded hundreds of thousands of jobs. The Government remained ready to play its part in backing British Leyland, but the massive contribution required from public funds could only be justified by linking funding to performance. The Government had some good recent evidence, and it would be looking for more before returning to the House of Commons.

[1] On 1 June the National Enterprise Board announced that because of improvements in British Leyland's industrial relations, investment in the new Mini car project would begin immediately.

Nuclear Power and the Environment

The Government's acceptance of most of the specific recommendations of the report of the Royal Commission on Environmental Pollution on nuclear power and the environment was announced by the Secretary of State for the Environment, Mr Peter Shore, in the House of Commons on 27 May (*Hansard*, cols 1766-76) and details are given in a White Paper published on that day.[1] Mr Shore said that the commission had concluded that the abandonment of nuclear fission power would be neither wise nor justified, but had expressed concern about certain risks that might be involved in a large-scale development of nuclear power, particularly if this involved the use of fast reactors. In the short term the Government would have to take decisions on the development of the thermal reactor programme and of the fast reactor, but this would not involve a commitment to a large additional nuclear power programme. Britain's commitment to nuclear power could be resolved only through decisions taken 'over the years in the light of national need and of the acceptability to the country at large of the possible economic, social and environmental impact of an extended nuclear programme'. At present it was important that the Government should examine carefully the adequacy of the arrangements for supervising and controlling the use of nuclear power, undertake the necessary research and provide the framework for public debate on future developments.

The most important points in the action being taken by the Government, as noted in the White Paper, are an improvement in the organisation of the management of civil nuclear wastes, steps to ensure that the Government has access to a wide range of advice on all aspects of nuclear power, and measures to make more information available about nuclear matters so as to extend open government and facilitate full public discussion of the issues involved. The White Paper adds that the Government is not yet able to give a final response to some of the commission's conclusions and specific recommendations.

[1] *Nuclear Power and the Environment*. The Government's Response to the Sixth Report of the Royal Commission on Environmental Pollution (Cmnd 6618). (See p 405, 1976.) Cmnd 6820. HMSO, 45p. ISBN 0 10 168200 X.

Management of Radioactive Wastes

Mr Shore said that while the commission had been broadly satisfied with the present radiological safety standards, the arrangements for their enforcement and the system for controlling releases of radioactivity into the environment, it had considered that much more attention should be paid to the management of radioactive wastes. The Government accepted that an overall long-term strategy was needed and that waste management problems would have to be dealt with before a large additional nuclear programme was undertaken. It also agreed that departmental responsibility for nuclear waste management policy should be independent of departmental responsibility for energy policy, which was already the position for discharges of radioactivity into the environment. Accordingly the Prime Minister had decided that the Secretary of State for the Environment, together with the Secretaries of State for Scotland and Wales, would in future have the responsibility for civil nuclear waste management policy, currently divided between a number of departments and other organisations, and that this would be exercised in close consultation with the Secretary of State for Energy and other ministers having responsibilities in this area.[1] The Government was considering whether further statutory powers were required to help in carrying out the new responsibility.

The White Paper says that the Government is already undertaking, as a priority task, a review of the arrangements for controlling radioactive waste, while the adequacy of present research in this field will also be reviewed; the findings will be announced in a further White Paper. The Government agrees that there should be a continuing research programme into methods of disposal of vitrified waste [waste materials incorporated into glass] in geological formations, but believes that the option of disposal on the deep ocean bed should not be dismissed at this stage, although the commission had expressed doubts about its international acceptability. Various studies on disposal are in progress and the results should be available by the late 1980s when the vitrification process should be possible on a commercial scale. Mr Shore said that a Nuclear Waste Management Advisory Committee would be established and would make a wider range of advice available to the Government. Further consideration would be given to the commission's proposal for a nuclear waste disposal corporation (an executive body for developing and managing radioactive waste disposal) in the light of the results of the review.

Non-Proliferation and Security

Mr Shore said that the commission had drawn special attention to the possibility that plutonium derived from the peaceful uses of nuclear energy might fall into the hands of terrorist groups and to the possibility that it might lead to the proliferation of nuclear weapons. The primary aim of British nuclear export policy was to ensure that no exports of nuclear material or equipment from Britain added to the danger of proliferation. The Government intended to play a full part in any programme for international fuel cycle evaluation and would participate in the study group set up by the recent summit meeting (see p 226). Security measures against terrorist groups in connection with the transport and storage of plutonium had been greatly strengthened in the last two years and would be regularly reviewed. Full attention would be given to security at the planning and design stages of nuclear installations to reduce the risk of successful terrorist action and to minimise the need for any measures which could be regarded as a threat to civil liberties. The White Paper states that 'in the nuclear field, as in other fields, the Government will continue to preserve civil liberties and to relate any security matters strictly to the nature and scope of the specific threat at any given time'.

Energy Policy and Public Debate

Mr Shore indicated that a Green Paper on energy policy would be published later in 1977. The Government hopes that this, the current White Paper and a proposed Energy Commission, will promote and assist a wide-ranging debate on all aspects of energy policy, in which the future contribution of nuclear power will be one element. This will allow the fulfilment of the commission's recommendation that before there is any commitment to a large additional nuclear programme including fast reactors, the issues 'should be fully appreciated and weighed in the light of wide public understanding'. Meanwhile the Government accepts the commission's view that the development of alternative energy sources should be pursued with greater vigour. Expenditure on these sources has been increased, for example, on solar energy (see p 127) and on wave power (see p 206), and is expected to be further increased. The Government is also actively pursuing additional possibilities for energy conservation as a contribution to the efficient use of resources.

The White Paper notes that the Government will have a wide range of outside advice available from the Royal Commission on Environmental Pollution, the National Radiological Protection Board, and three new bodies – the Energy Commission, the Nuclear Waste Management Advisory Committee and the Advisory Committee on the Safety of Nuclear Installations (which will provide advice on safety to the Health and Safety Commission) – as well as the views of its own expert advisers. Nevertheless, the Government believes that there is a need for a high-level independent body to advise on the interaction between energy policy and the environment, and it will give further consideration to the form it should take. Mr Shore said that more information about nuclear matters would be issued and that this would help public discussion.

Mr Shore noted that the commission had strongly believed that decisions on major questions of nuclear development should 'take place by explicit political process'. He said that one approach was the holding of public inquiries on specific projects, as he had arranged in connection with the proposal to build an oxide reprocessing plant at Windscale (Cumbria). The Government fully accepted the need for a proper framework for wider public debate

[1] A statement announcing the new responsibility was made by the Prime Minister, Mr James Callaghan, to the House of Commons (*Hansard*, 27.5.77, written answers, cols 631-2).

and would consider the most suitable kind of special procedure to achieve this. Before any decision was taken on whether to build a commercial fast reactor, this procedure would be settled and announced.

Railways

There was a substantial improvement in the financial results of the British Railways Board (BRB) in 1976 and the board met its financial objectives agreed with the Government, according to its annual report and accounts published on 18 May.[1] Other achievements included the introduction of the world's fastest regular diesel services (see p 407, 1976); increased productivity through operating economies, with a reduction in the board's manpower by 8,200 to 243,500 at the end of 1976; and a high standard of safety in railway operations with no passenger deaths occurring as a result of train accidents.

Financial Results

In 1976 the BRB's turnover, including financial support, rose by 13 per cent to £1,439·7 million. There was an operating surplus of £13·7 million before interest payments, compared with a loss of £28·3 million in 1975, and the report notes that this represented 'a considerable achievement in the face of continuing recession and inflation'. Nearly all activities recorded improved results, in particular the railways, where a loss of £43·1 million in 1975 was converted into a surplus of £0·4 million in 1976. After interest and other charges totalling £43·6 million, the board's net loss was £29·9 million (£30·9 million less than in 1975), which was more than offset by a special short-term grant from the Government of £35·2 million for freight and parcels. Payments by central and local government to the board in support of its rail passenger services amounted to £319 million in 1976, and were within the limit of £358 million set in advance by the Government.

Passenger Services

The number of passenger journeys on the railways fell by 3 per cent to 708 million in 1976, while the distance covered (17,800 million passenger-miles – 28,485 million passenger-kilometres) was 5 per cent lower than in 1975. Later in the year there was, however, a recovery in passenger traffic so that by the end of the year it was at a level about 6 per cent higher than in March (when fares were increased by 12 per cent). Earnings from rail passenger traffic rose by 18 per cent to £505 million, of which intercity services contributed about £250 million. Punctuality of train services was at its highest level for many years; 93 per cent of passenger trains arrived on time or were less than five minutes late.

The introduction of the *Inter-City 125* services from London to Bristol or Weston-super-Mare and from London to south Wales, using the first of British Rail's production high speed trains (HSTs) running at maximum sustained speeds of 125 mph (201 km/h) on existing track, brought about a 15 per cent increase in the volume of business on these routes. In 1978 HSTs will be introduced between London, Newcastle upon Tyne and Edinburgh, while three electrically-powered advanced passenger trains, which will be capable of speeds of 150 mph (241 km/h), are due to begin trials at a maximum speed of 100 mph (161 km/h) between London and Glasgow. Electrification continued and the first stage of an £85 million scheme for electrifying 68 route-miles (109 route-kilometres) between London and Hertfordshire was completed, while Government authorisation was given for an £80 million scheme to electrify the line from London to Bedford. Birmingham International, the first new station of major international importance to be built in Britain in the twentieth century, was officially opened in September 1976. Costing £6 million, it was built to serve the National Exhibition Centre (see pp 481-3, 1974 and p 82, 1976), and in 1976 was used by 35 per cent of visitors to the centre.

Freight Services

Freight train traffic increased slightly to 176·2 million tonnes in 1976, while revenue rose by £62 million to £307 million. Coal remained the most important commodity handled (97 million tonnes in 1976), while iron and steel traffic recovered by 14 per cent to 29 million tonnes, more than offsetting a decline in traffic in some other goods. The board's Total Operations Processing System, for supervising the movement of all freight vehicles in Great Britain, completed its first full year of operation and was a principal factor in allowing the carriage of more goods with 13 per cent fewer wagons than in 1975. A network of high-speed wagonload services is being established; by October 1976, 24 daily services were operated over 12 routes, and a further 20 services will be added in the next two or three years.

Other Activities

The output of British Rail Engineering Ltd amounted to £232 million in 1976 when the company was engaged on export orders valued at over £9 million and negotiations for further overseas orders were in progress. The BRB participated with other British manufacturers of railway equipment in the formation of the British Railway Industry Export Group, primarily to co-ordinate the marketing efforts of the railway industry as a whole. Transmark, the board's consultancy subsidiary, undertook work on 36 projects in 22 countries and increased its overseas earnings to £2·2 million. Revenue from shipping services increased from £65 million in 1975 to £79 million in 1976, although passenger traffic between Britain and the continent of Europe fell. However, cross-Channel hovercraft traffic increased, and 710,900 passengers and 110,600 cars were carried by hovercraft between Dover and Calais or Boulogne in 1976, 19 and 23 per cent more respectively than in 1975. Work began on a new hovercraft terminal at Dover which will be able to accommodate larger hovercraft.

[1] *British Railways Board. Annual Report and Accounts 1976.* BRB. HMSO, £1. ISBN 0 11 982493 0.

Yorkshire and Humberside Regional Strategy

Government views on developments in the Yorkshire and Humberside region over the next ten years were published in May. They are contained in the *Goverment Response to the 'Yorkshire and Humberside Regional Strategy Review 1975 – The Next Ten Years'*.[1]

The regional strategy review,[2] drawn up by the regional Economic Planning Council in February 1976, amended the 1970 regional strategy for the area in the light of the considerable economic changes which had occurred since then.

The membership of the Yorkshire and Humberside Economic Planning Council includes representatives of local industry, trade unions, and local authorities. The regional strategies which it produces are not regarded as rigid master plans, but to local government they provide an advisory framework for structure planning, and they are a source of assistance to central Government in the formulation of policies affecting the region.

The Government's observations on the regional strategy review have been made after widespread consultation with interested local authorities, public and private bodies and individuals. The response, read together with the review, sets out the approved regional strategy for Yorkshire and Humberside.

Economic Priorities

In its response, the Government endorses the review's statement that, in the immediate future, priority in the region must be given to encouraging industrial investment, to completing the essential communications network, and to only those environmental factors which are essential, as distinct from merely desirable. 'This accords with the Government's stated aim of giving overriding priority to restoring the prosperity of the economy through the regeneration of industry and with the need to restrain the growth of public expenditure', it notes.

In particular, the Government considers that emphasis should be placed on the modernisation and expansion of manufacturing industry, and on measures designed to increase exports. Moreover, improved communications with the ports in the region and improved housing in areas of special stress should be a priority, within the context, however, of restraint in the total of public expenditure.

Industrial Review

Both the Government and the Economic Planning Council agree that one of the strengths of the Yorkshire and Humberside region is its own capacity to generate new employment and to modernise existing firms. The response, however, notes that some of the changes in the pattern of industry, combined with local effects of the national economic recession, have resulted in some areas in higher unemployment, a poorer range of job opportunities and greater emigration.

Nevertheless, the Government rejects the Economic Planning Council's submission that there is a need for a radical review of its present system of regional assistance for industry. 'The effectiveness of the regional incentives is regularly monitored', it notes, 'although continuity is important as frequent changes would undermine the effectiveness of the policy and create undesirable uncertainty for industry. Changes are, however, made when necessary and some have recently been made in the development area status of parts of the region.'

The response points out that the policies and plans of local authorities also have an influence on prospects for economic growth, and in this context it approves the proposals in the 1970 strategy for high priority to be given to growth in and around the coalfield, and the selection of specific locations for new industry adjacent to motorways and on the edge of built-up areas of good size and enjoying reasonable amenities.

Specific Industries

The response agrees in general with the Economic Planning Council's assessment of the prospects for the various industries in the region. It envisages decline in parts of the textile, clothing and fishing industries, but considers that the prospects for the steel and coal industries are good. However, it notes that shifts in coal production from old to new pits will result in changing population and transport patterns within the region.

As regards engineering and metal-using industries, the Government considers that 'development of these industries is vital to the regional, as it is to the national, economy and agrees that expansion in the heavy engineering sector, particularly in places such as Sheffield, Rotherham, Scunthorpe and parts of West Yorkshire, should be encouraged'.

Service and office employment, the response considers, show encouraging long-term trends and a strong demand for services is likely to follow resumed economic growth. 'The particular value of service employment is that it extends the variety of employment opportunities and so enables the region to hold young people who might otherwise have to seek employment elsewhere', it notes.

The Government considers that the largest towns have the strongest attraction for office employment, and cites Leeds, Bradford, Sheffield and Hull. 'The Government recognises the value of encouraging the establishment of "decision centres" within the region since this leads to an increase in the number and variety of jobs both in the "decision centres" themselves and in the service industries necessarily allied to them', the response says.

The response welcomes the review's recognition of the importance of agriculture within the region, and endorses the view that priority should be given to protecting high quality land in agricultural use. 'This is particularly important', it notes, 'in a region where the proportion of good agricultural land and its contribution to home food production is well above the national average. It is also important to continue and intensify efforts to use reclaimed or low-quality land for development in preference

[1] Available from the Department of the Environment, Room C11/21, 2 Marsham Street, London SW1P 3EB.

[2] *Yorkshire and Humberside Regional Strategy Review 1975 – The Next Ten Years*. HMSO, £2·50. ISBN 0 11 751002 5.

to taking productive agricultural land.'

With regard to tourism, the response says that growth prospects in the region are good, with income from this sector already above £125 million a year.

Planning Policy

On the basis of its analysis of future economic trends in the region, the Government considers that the economic prospects for the areas in and around the larger towns, especially Leeds and Sheffield, are particularly good. In addition, the Harrogate area with its thriving offices and service sector, and its established tourist industry, and Sheffield, with prospects for expansion in the heavy engineering sector, are particularly favoured.

Huddersfield, the response notes, should benefit from the Government's wool textile scheme's assistance for the high quality wool textile industry, and the prospects for the engineering industry there are good. Hull, however, will be affected by the decline in fishing and its associated industries, although there are prospects for growth in the traffic of the Humber ports; and the Secretary of State for Industry's decision to grant the Hull and Grimsby areas Development Area status (see pp 205-6), 'should help to create favourable conditions for industrial growth in those areas'.

The Government says that its objective in giving guidance about obvious centres of economic growth is to emphasise that structure plans should not have the effect of restricting that growth. Although a number of local authorities in the area had urged that industrial effort and office development should be dispersed away from the areas where they were already occurring, 'in the present economic climate the Government thinks it more realistic to expect that the comparatively small amount of mobile industry or office activity available will be influenced in deciding to settle in the region by the obvious advantages offered by the largest centres'.

Population and the Social Services

The implications for social services expenditure of the main changes in population size and structure which are in prospect over the remaining years of the century are examined in a Central Policy Review Staff report, *Population and the Social Services*, published on 18 May.[1] The Government has welcomed the report and instructed departments concerned to consider the various policy options contained in it.

The report presents two main conclusions. The first is that public expenditure planning for the social services takes too little account of population changes. Increases in expenditure when numbers rise are not matched by equivalent savings when numbers fall, with the result that priorities in resource allocation can be distorted.

The second is that, while the 'need' for social services seems to be virtually insatiable, it is unlikely that in the foreseeable future the country will be able to afford such rates of growth in social services expenditure as occurred between 1959 and 1975. Changing needs and priorities will have to be met in part by switching from one programme to another. The room for manoeuvre will depend to an important extent on considering very carefully the implications of population changes and on taking early decisions.

Projections

The report uses three different population projections: the 'central' projection already used by Government departments, and 'continuing low' and 'very low' variant projections incorporating much lower fertility variants. (Fertility has been given particular attention in population projections in the light of the experience of a birth rate which from the early 1950s, first increased over a decade and has subsequently been declining for more than a decade – a broad pattern experienced in virtually all developed countries.) Some of the main points from the projections are noted below.

From mid-1974 to mid-1975 there were only 694,000 births in Great Britain, compared with 980,000 in 1964 – a decline of 29 per cent in just over ten years. All three projections show a pattern of some further decline followed by a rise reaching a peak in the 1980s (when the large number of girls born in the early 1960s reach their main reproductive years), and then a gradual fall in the numbers to the end of the century. The projections differ in the extent, and duration, of the further decline in the immediate future, and level of the subsequent recovery.

For children under five, numbers on all the projections decline over the next few years. After the early 1980s there is a gradual rise to a peak at the beginning of the 1990s. Numbers then decline to the end of the century.

On all projections the numbers of children in the 5 to 15 age group decline substantially to the mid-1980s. Thereafter, the central projection remains static until the 1990s and rises until 2001. The low-birth variants continue to decline to 1990, rising slowly thereafter. Common features are the 'trough' in primary school numbers around 1984 to 1986, and a corresponding trough in secondary school numbers from about 1989 to 1991.

Projected numbers of children of all ages are expected to decline by 1985. After the trough in the late 1980s numbers will begin to rise. On the central projection, numbers are above the 1975 level by the mid-1990s; on the low-variant projections, numbers remain below those for 1975 despite the rise.

In the 16 to 24 age group there will by 1985 be over a million more people than in 1975 (8·1 million compared with 6·9 million). By 1992 (when the birth-variants start to affect its size) the number will have declined again by almost a million. For the rest of the 1990s, all projections show a further decline to 1997. By 2001 numbers on the central projection rise again but remain static on the variants. There is therefore a firm prospect of a peak in the 1980s well above present levels and a trough in the 1990s well below.

The increase in the 16 to 24 age group, taken together with smaller numbers entering the retirement group, result in an increase in the population of working age of over 1·5 million in the ten years to 1985, and a further increase of about half a million to 1991. The effect of the birth variants runs from 1992. On the central projection, there is a further increase by 2001; on the continuing low projection, numbers remain static; and on the very low projection they fall.

The fluctuations in the numbers of the population over retirement age within the period to 2001, unaffected by the birth variants, is relatively small

[1]HMSO, £2·25. ISBN 0 11 700571 1. The CPRS (or 'Think Tank') advises ministers collectively on major issues of policy.

– only 400,000 – and at the end of the period, the group is the same size as at the start. Numbers gradually rise until the mid-1980s, remain static until 1991, and then fall again up to 2001. This is very different from the post-1945 pattern during which numbers rose from 6·7 million in 1951 to 7·6 million in 1961 and 9·3 million in 1975.

Foreseeable Trends

The changes in numbers in different age groups, both absolute and relative, will have major implications for the social services, says the report. Some will increase the pressures on particular services, others will reduce them. Ministers will be confronted with both the need and the opportunity to change the balance of social expenditure.

Some important changes can clearly be foreseen now, regardless of what happens to the birth rate:

1 There will be far fewer children of compulsory school age in the 1980s.

2 Higher and further education will come under increasing pressure up to the mid-1980s (provided participation rates do not fall). Thereafter and through the 1990s the pressure will be reduced and, unless participation rates rise a good deal faster than currently predicted, numbers, particularly in higher education, will decline.

3 Probation and after-care services are likely to face increased demands in the 1980s in view of the increase in the 16 to 24 age group.

4 The population of working age will increase quite fast over the next ten years (whereas it was declining over the last ten). This provides opportunities for a faster rate of economic growth of output, the report notes, given economic policies that will sustain high levels of employment, but, in their absence, could add to employment problems, especially in the assisted-area regions. The declining number and proportion of young people in the working-age population from the mid-1980s to the mid-1990s is likely to have implications both for the training of the labour force and its adaptability to technological change.

5 Over the next 25 years the increase in the number of people of retirement age will be quite small (in contrast to the rapid rise in numbers over the last 25 years). As a result the pressure of increasing numbers on the pensions bill will be much less.

6 The number of the more elderly (the over 75s) will increase over the next 25 years, and the rate of increase will be fastest over the next ten years. This means increased pressure on health services, personal social services and special housing for the elderly.

So far as the birth rate is concerned, no attempt is made to conclude that one projection is more likely than another. The report notes, however, that, since for the rest of the century a relatively low level of births can reasonably be expected, there is likely to be reduced pressure on maternity services, nursery education, schools in the 1990s and child health services. The cost of general family cash support would also be cut considerably.

Social Security

INCREASES IN BENEFITS

Increased rates of retirement pension and other social security benefits were announced by Mr David Ennals, Secretary of State for Social Services, in the House of Commons on 25 May 1977 (*Hansard*, cols 1399–418). The new rates take effect from November 1977, a year after the last increase. Long-term benefits such as retirement pension and widows' benefits are being increased by 14·4 per cent and short-term benefits such as unemployment and sickness benefit by 14 per cent. It is expected that these rises will mean increases of up to 1·5 per cent in real terms after taking inflation into account.

Another part of the package includes a rise in the amount a pensioner can earn before his pension is reduced; this 'earnings limit' is being increased from £35 to £40. Supplementary benefit is to be raised and non-contributory invalidity pension will be extended from November to disabled married women unable to cope with their housework.

An order giving effect to the changes will be laid before Parliament by the Secretary of State.

Details of the new benefit rates are set out in the tables below. An account of the social security system is contained in COI reference pamphlet R5455/77, *Social Security in Britain.*

FAMILY INCOME SUPPLEMENT

Changes are also being made in the family income supplement scheme. The qualifying income limits are being raised in July and a further increase will take place in November. The supplement is payable to families with at least one dependent child where the head of the family is in full-time work and the family's gross income is less than a prescribed amount. The benefit is half the difference between the prescribed amount and the family's gross income. From July, the prescribed amount for a one-child family is £41·50 and for other families £41·50 plus £3·50 for each child after the first. The maximum weekly supplement payable to a one-child family is £8·50 and this is increased by 50p for each additional child. The November changes will be announced later.

Table 1 **Main Contributory National Insurance Benefit Rates**

	Proposed Weekly Rate	Existing Rate
	£	£
Standard rate of invalidity, widows' and retirement pensions[1] and widowed mothers' allowance:		
Single person	17·50	15·30
Wife or other adult dependant	10·50	9·20
Standard rate of unemployment and sickness benefit:		
Single person	14·70	12·90
Wife or other adult dependant	9·10	8·00
Married woman (normal rate)	10·50	9·20
Widow's allowance for first 26 weeks of widowhood	24·50	21·40
Maternity allowance	14·70	12·90
Invalidity allowance payable with invalidity pension, when incapacity began before age:		
35	3·70	3·20
45	2·30	2·00
60 for men or 55 for women	1·15	1·00

[1]Where a retirement pensioner is aged 80 or over, 25p is added.

Table 2 **Non-contributory Benefits**

	Proposed Weekly Rate	Existing Rate
	£	£
Attendance allowance:		
Higher rate	14·00	12·20
Lower rate	9·30	8·15
Retirement pensions for people over 80 (excluding the 25p age addition):		
Wife	6·30	5·60
Any other person	10·50	9·20
Guardian's allowance	7·40	6·45
Invalidity pension	10·50	9·20
Wife or other adult dependant	6·30	5·60
Invalid care allowance	10·50	9·20
Wife or other adult dependant	6·30	5·60
Mobility allowance	7·00	5·00

Table 3 **Allowances for Children**

	Proposed Weekly Rate	Existing Rate
	£	£
Child's special allowance:		
First child	7·40	6·45
Any other child	6·90	5·95
Allowances for children of widows, invalidity, non-contributory invalidity and retirement pensioners, and invalid care allowance beneficiaries:		
First child	7·40	6·45
Any other child	6·90	5·95
Allowances for children of all other beneficiaries:		
First child	3·50	3·05
Any other child	3·00	2·55

In addition child benefit is payable for all children (see p 409, 1976). The current rate is £1 for the first or only child (£1·50 for single-parent families) and £1·50 for every other child.

Table 4 **Main Industrial Injuries Benefit Rates**

	Proposed Weekly Rate	Existing Rate
	£	£
Injury benefit	17·45	15·65
Adult dependant	9·10	8·00
First child	3·50	3·05
Any other child	3·00	2·55
Disablement benefit (100 per cent assessment)	28·60	25·00
Unemployability supplement[1]	17·50	15·30
Adult dependant	10·50	9·20
First child	7·40	6·45
Any other child	6·90	5·95
Special hardship allowance (maximum)	11·44	10·00
Constant attendance allowance (normal maximum)	11·40	10·00
Exceptionally severe disablement allowance	11·40	10·00
Industrial death benefit:		
Widow's pension during first 26 weeks of widowhood	24·50	21·40
Widow's pension (higher rate)	18·05	15·85
Widow's pension (lower rate)	5·25	4·59

[1]Invalidity allowance (see Table 1) is also payable

Table 5 **Main Supplementary Benefit Rates**

	Proposed Ordinary Weekly Rate	Proposed Long-term Weekly Rate[1]	Existing Ordinary Weekly Rate	Existing Long-term Weekly Rate[1]
	£	£	£	£
Husband and wife	23·55	28·35	20·65	24·85
Person living alone	14·50	17·90	12·70	15·70
Any other person aged:				
18 or over	11·60	14·35	10·15	12·60
16–17	8·90	—	7·80	—
13–15	7·40	—	6·50	—
11–12	6·10	—	5·35	—
5–10	4·95	—	4·35	—
Under 5	4·10	—	3·60	—
Rates for Blind People				
Husband and wife:				
If one is blind	24·80	29·60	21·90	26·10
If both are blind	25·60	30·40	22·70	26·90
Any other blind person aged:				
18 or over	15·75	19·15	13·95	16·95
16–17	9·80	—	8·70	—
13–15	7·40	—	6·50	—
11–12	6·10	—	5·35	—
5–10	4·95	—	4·35	—
Under 5	4·10	—	3·60	—

	Proposed Weekly Rate	Existing Weekly Rate
	£	£
Non-householder rent allowance	1·45	1·20
Attendance requirements:		
Higher rate	14·00	12·20
Lower rate	9·30	8·15
Discretionary additions to supplementary benefit:		
Heating additions	0·80	0·70
	1·60	1·40
	2·40	2·10
Dietary additions	0·90	0·75
	2·10	1·75

[1]A further 25p is added to the long-term weekly rate if the claimant is aged 80 or over.

Table 6 **Main War Pension Rates**

	Proposed Weekly Rate	Existing Rate
	£	£
Part I: Disablement Benefits		
Disablement pension for private at 100 per cent rate	28·60	25·00
Unemployability allowances[1]:		
Personal allowance	18·60	16·30
Wife or adult dependant	10·50	9·20
First child	7·40	6·45
Any other child	6·90	5·95
Comforts allowance:		
Higher rate	4·90	4·30
Lower rate	2·45	2·15
Allowance for lower standard of occupation (maximum)	11·44	10·00
Constant attendance allowance:		
Special maximum	22·80	20·00
Normal maximum	11·40	10·00
Age allowance with assessments of:		
40 and 50 per cent	2·00	1·80
Over 50 but not exceeding 70 per cent	3·10	2·75
Over 70 but not exceeding 90 per cent	4·40	3·90
Over 90 per cent	6·20	5·50
Exceptionally severe disablement allowance	11·40	10·00
Severe disablement occupational allowance	5·70	5·00
Clothing allowance (per year):		
Higher	40·00	36·00
Lower	25·00	23·00

	Proposed Weekly Rate	Existing Rate
	£	£
Part II: Death Benefits		
Widow's pension – private's widow:		
Standard rate	22·70	19·80
Childless widow under 40	5·25	4·59
Rent allowance	8·60	7·50
Age allowance for elderly widows:		
Between age 65 and 70	2·20	1·95
Over age 70	4·40	3·90
Widower's pension	22·70	19·80
Adult orphans	17·50	15·30

[1]Invalidity allowance (see Table 1) is also payable.

DOCUMENTATION

(Documentation excludes publications referred to in Survey articles)

Government and Administration

Scotland. COI, FSB/A4.

External Affairs and Defence

Commercial Co-operation Agreement between the European Economic Community and . . . Bangladesh. Cmnd 6782. HMSO, 25p. ISBN 0 10 167820 7.

The Antarctic Treaty: Recommendations of the Eighth Consultative Meeting held at Oslo 9-20 June 1975. Cmnd 6786. HMSO, 60p. ISBN 0 10 167860 6.

Interim Agreement between the European Economic Community and [Portugal] Cmnd 6780. HMSO, 50p. ISBN 0 10 167800 2.

Additional Protocol to the Agreement between the European Economic Community and [Portugal] *with Financial Protocol . . .* (see p 385, 1976). Cmnd 6781. HMSO, 60p. ISBN 0 10 167810 X.

Convention between the European Economic Community and the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) concerning Aid to Refugees in the countries of the Near East. Cmnd 6790. HMSO, 15p. ISBN 0 10 167900 9.

Decisions . . . of Member States of the European Coal and Steel Community . . . providing for the administration of Tariff Quotas and opening Tariff Preferences for certain Steel Products originating in Developing Countries. Cmnd 6807. HMSO, 25p. ISBN 0 10 168070 8.

Commonwealth Heads of Government Meeting 1977. COI, Factel No 677.

Britain and the Commonwealth. COI, PB5935.

Economic and Scientific Affairs

Exchange Control: Foreign Currency Securities Held Out of Deposit. In answer to a question in the House of Commons, the Financial Secretary to the Treasury, Mr Robert Sheldon, referred to the Exchange Control Act 1947 under which virtually all foreign currency securities owned by United Kingdom residents must be held in the custody of an Authorised Depositary (which includes Authorised Banks, members of the Stock Exchange and solicitors practising in the United Kingdom), and announced his decision that, in respect of applications to remain outside such custody received after 31 August 1977, any permission for the sale of securities which had previously been held (despite the exchange control requirement) out of the custody of an Authorised Depositary would be given only on condition that the sale was made in such a way that did not allow the owner to obtain the benefit of the investment currency premium. (Investment currency is the only type of foreign currency that United Kingdom residents are currently given permission to purchase for the purpose of portfolio investment in foreign currency securities or for the purchase of private property abroad. Demand for investment currency has traditionally led to its commanding a premium, payable to the seller, over the rate of exchange in the official market for foreign currency.) *Hansard,* 26.5.77, written answers, cols 567-8. (A general summary of exchange control policy in Britain is given in *A Guide to United Kingdom Exchange Control. February 1977.* Available from the Bank of England (Exchange Control), New Change, London EC4M 9AA.)

Purchasing Power in the EEC. An article in the May 1977 issue of the *Department of Employment Gazette* which compares purchasing power in each member country of the European Economic Community (EEC) and reports on work undertaken by the Statistical Office of the European Communities to calculate for consumer goods and services 'exchange rates' (known as purchasing power parities) which are based on relative price levels in the EEC. The results show the inadequacy of simply using foreign currency exchange rates as a basis for international comparison.

Treasury Stock. The Treasury announced its intention to create and issue to the Bank of England, on 27 May, £400 million of a new Treasury stock bearing a variable rate of interest. Treasury press notice, 16.5.77.

Minimum Lending Rate (MLR). The Bank of England's MLR has fallen by several stages to

8·25 per cent in May. *Economic Progress Report*, No 86, prepared by the Information Division of the Treasury. Available from Circulation Section (H), Central Office of Information.

Supplementary Special Deposits. The Bank of England, with the approval of the Chancellor of the Exchequer, has decided to continue the operation of the supplementary special deposits scheme (see p 472, 1976) for a further six-month period on an unchanged basis. Bank of England press notice, 12.5.77.

Value-Added Tax (VAT). A Government amendment to the Finance Bill 1977 increases the VAT registration exemption limit of annual turnover to £7,500. This change will be operative from 1 October 1977. HM Customs and Excise press notice, 12.5.77.

General Agreement on Tariffs and Trade (GATT). GATT activities in 1976. Available through HMSO, £3·36. ISBN 0 11 982494 9.

Young People and Work. Report on the Feasibility of a New Programme of Opportunities for Unemployed Young People. Manpower Services Commission (MSC). The report, which proposes a new programme of opportunities for young people to be fully implemented by September 1978, was prepared by an MSC working party following the commission's suggestion in *Towards a Comprehensive Manpower Policy* (see p 485, 1976) that it should set itself the objective of ensuring that 'all young people of 16 to 18 years of age who have no job or who are not engaged in further or higher full-time education should have the opportunity of training, of participating in a job creation programme or of work experience'. Available from the MSC at Selkirk House, 166 High Holborn, London WC1V 6PF.

Manpower and Employment in Britain: Industrial Relations. COI, R6019.

Advisory, Conciliation and Arbitration Service (ACAS).

Annual report 1976 (see also pp 211-13, 1976). The report notes that in 1976 ACAS received 390,000 requests for information and 3,406 requests for conciliation, 35 per cent more than in 1975. Conciliation was completed in 2,851 disputes; settlements were reached or arrangements to make progress towards a settlement were agreed by the parties in 2,188 or 77 per cent of these disputes. Strikes or other forms of industrial action were involved in less than a quarter of all disputes in which ACAS conciliated in 1976. Available from ACAS at Cleland House, Page Street, London SW1P 4ND.

Disciplinary practice and procedures in employment. Draft code of practice laid before Parliament under the Employment Protection Act 1975 (see pp 212-15, 1975). HMSO, 15p. ISBN 0 11 885000 8.

Disclosure of information to trade unions for collective bargaining purposes. Draft code fo practice laid before Parliament under the Employment Protection Act 1975 (see p 446, 1976). HMSO, 15p. ISBN 0 11 885001 6.

Central Arbitration Committee (see p 213, 1975). First annual report 1976. Available from the committee at 1 The Abbey Garden, Great College Street, London SW1P 3SE.

Certification Office for Trade Unions and Employers' Associations (see p 44, 1976). First annual report of the Certification Officer 1976. HMSO, £1·15. ISBN 0 11 885099 7.

Safety in Nuclear Installations. Some of the more important criteria used for guidance by the Nuclear Installations Inspectorate in its safety assessment of nuclear plant are discussed in a paper, *Criteria for Guidance in the Safety Assessment of Nuclear Installations in the United Kingdom*, by R. Gausden and D.R.H. Fryer, presented to the International Conference on Nuclear Power and its Fuel Cycle in Salzburg, Austria on 11 May. An abstract of the paper is available free from the Health and Safety Executive, Baynards House, 1 Chepstow Place, London W2 4TF.

International Labour Convention No 140 concerning paid educational leave adopted by the General Conference of the International Labour Organisation at its fifty-ninth session. (The United Kingdom Instrument of Ratification was registered with the Director General of the International Labour Office on 4 December 1975 and the convention entered into force for the United Kingdom on 4 December 1976.) Cmnd 6796. HMSO, 25p. ISBN 0 10 167960 2.

Health and Safety (Enforcing Authority) Regulations 1977. The regulations, which take effect on 1 June 1977, extend the enforcement responsibilities of local authorities for health and safety legislation, and rationalise the arrangements between local authorities and the Health and Safety Executive so that as far as possible each place of work will be inspected by one body only. SI 1977/746. HMSO, 25p. ISBN 0 11 070746 X.

Income Distribution in the United Kingdom 1974-75. An article giving estimates of the distribution of income before and after tax in the United Kingdom for 1974-75 (see also pp 472-5, 1976). The figures indicate there was little change in income distribution between 1973-74 and 1974-75 except for the top 1 per cent of income recipients, whose share of total income after tax dropped from 4·5 per cent to 4 per cent. The article suggests that wage restraint in the two years since 1974-75 (see pp 269 and 318, 1975 and p 246, 1976) is likely to have had some effect in reducing the spread of income distribution. Central Statistical Office, *Economic Trends*, No 282, April 1977.

Review Body on Armed Forces Pay. Sixth Report 1977. Cmnd 6801. HMSO, 45p. ISBN 0 10 168010 4.

Review Body on Doctors' and Dentists' Remuneration. Seventh Report 1977. Cmnd 6800. HMSO, £1·35. ISBN 0 10 168000 7.

Occupational Pension Schemes. An article in the May 1977 issue of the *Department of Employment Gazette* gives preliminary results from the fifth survey (in 1975) by the Government Actuary of occupational pension schemes. It shows that in Britain in 1975 some 11·5 million employees were covered by occupational pension schemes, of which over 10 million (compared with 8 million in 1971) were promised pensions related to their salaries at or near retirement. In addition, four million pensions were being paid from schemes to former employees or their dependants.

Metrological Control Systems. Report by the Working Party on Metrological Control Systems, set up to consider and recommend the appropriate method and pattern of enforcement and the implementation in Britain of the European Community's average system of quantity control for prepacked goods. Cmnd 6805. HMSO, £2·35. ISBN 0 10 168050 3.

Monopolies and Mergers Commission – Report on the Proposed Merger of British Petroleum Ltd and Century Oils Group Ltd. The report found that the proposed merger would be against the public interest and should not go ahead. The Secretary of State for Prices and Consumer Protection has agreed and is asking the Director General of Fair Trading to seek an undertaking from British Petroleum that the merger will not go ahead. Cmnd 6827. HMSO, £1·10. ISBN 0 10 168270 5.

Manufacturing Advisory Service. The establishment of a service to make available specialist technological advice to smaller and medium-sized firms in manufacturing industry was announced by the Secretary of State for Industry on 4 May. *Hansard,* written answers, cols 177-8.

The Location of Offices Bureau and Office Development Permits. A revision of the role of the Location of Offices Bureau (LOB) and a relaxation of office development control in the South East region were announced in the House of Commons on 17 May by the Secretary of State for the Environment, Mr Peter Shore. The LOB has, since its creation in 1963, worked to divert office employment from congested areas in central London. Mr Shore said he proposed to give it two new tasks: to attract international concerns so that they locate office employment in Great Britain; and to promote office employment in inner urban areas, including London. With regard to office development control, the exemption limit for permits would, he said, be raised from 15,000 sq ft to 30,000 sq ft (2,800 sq m); only developments of major importance would continue to be controlled. Office development permits were introduced in 1965 in order to curb undue growth in office development in certain parts of the country. Since 1970 only the South East region has been controlled. The limit was last raised (from 10,000 sq ft) in June 1976 (see p 230, 1976). Department of the Environment press notices 247, 18.5.77, and 263, 24.5.77.

Agriculture in Scotland. Report for 1976. Cmnd 6756. HMSO, £1·50. ISBN 0 10 167560 7.

Gas and Electricity Prices. The Government's reply to the fourth report from the Select Committee on Nationalised Industries, session 1975-76. Cmnd 6806. HMSO, 35p. ISBN 0 10 168060 0.

The Role of British Rail in Public Transport. First report from the Select Committee on Nationalised Industries, session 1976-77. Vol I. *Report and Proceedings of the Committee.* HMSO, £2·10. ISBN 0 10 285477 7. Vol II. *Minutes of Evidence.* HMSO, £8·10. ISBN 0 10 285577 3. Vol III. *Appendices.* HMSO, £3·10. ISBN 0 10 285677 X.

Advanced Ground Transport. Government observations on the second report of the Select Committee on Science and Technology, session 1975-76 (see p 414, 1976). Cmnd 6825. HMSO, 25p. ISBN 0 10 168250 6.

Warren Spring Laboratory 1976. Review of activities for the financial year 1975-76. ISBN 0 856240 94 X (unpriced). Available from Warren Spring Laboratory, PO Box 20, Gunnels Wood Road, Stevenage, Hertfordshire SG1 2BX.

Patents, Designs and Trade Marks 1976. Ninety-fourth report of the Comptroller General of Patents, Designs and Trade Marks. Discusses the latest trends in inventions, which in 1976 included methods of reducing pollution from car exhausts, converting solar energy into domestic heating and securing credit cards. There were 2·2 per cent more applications for patents and 6·3 per cent less for trade marks in 1976 than in 1975. H of C Paper 318. HMSO, £1. ISBN 0 10 231877 8.

Metrication Report to Parliament by the Department of Prices and Consumer Protection 1977. First of an annual series (see pp 198-200). HMSO, 70p. ISBN 0 11 512068 8.

Environmental Standards: A Description of United Kingdom Practice. Department of the Environment Pollution Paper No 11. Report of an Inter-Department Working Party. Sets out the approach adopted by the United Kingdom on the use of standards for environmental protection both in the wider environment and in the workplace. HMSO, 75p. ISBN 0 11 751152 8.

Health and Safety: Industrial Air Pollution 1975. Report by the Chief Inspector of Her Majesty's Alkali and Clean Air Inspectorate. HMSO, £2. ISBN 0 11 883002 3.

Directorate of Overseas Surveys. Annual report for the year ended 31 March 1976. HMSO, £3·50. ISBN 0 11 580207 X.

Exchange of Notes between the . . . United Kingdom . . . and . . . Pakistan . . . concerning Debt Relief. Cmnd 6779. HMSO, £1. ISBN 0 10 167790 1.

Social and Cultural Affairs

Health and Personal Social Services Statistics for England (with summary tables for Great Britain) 1976. HMSO, £5·50. ISBN 0 11 320588 0.

Annual Report of the Health Service Commissioner 1976-77. HMSO, 45p. ISBN 0 10 232277 5.

Smoking and Health in Britain. COI, SN5987.

Smoking or Health. A report of the Royal College of Physicians. Published by Pitman Medical and Scientific Publishing Company Limited. £3. ISBN 0 272 79412 0.

Helping Mentally Handicapped School Leavers. Available free of charge from the National Development Group for the Mentally Handicapped, Room C411, Alexander Fleming House, Elephant and Castle, London SE1 6BY.

Residential Short-Term Care for Mentally Handicapped People: Suggestions for Action. Available free of charge from the National Development Group for the Mentally Handicapped, Room C411, Alexander Fleming House, Elephant and Castle, London SE1 6BY.

Statistics of Education, England and Wales, 1975. Vol 5, Finance and Awards. HMSO, £2·70. ISBN 0 11 270424 7.

Inner Area Studies. Lambeth Inner Area Study report: *The Groveway Project: An Experiment in Salaried Childminding* (£1·60). Available from the Department of the Environment, Room P2/127, 2 Marsham Street, London SW1P 3EB.

Racial Discrimination. A Guide to the Race Relations Act 1976. Published by the Home Office, and available free of charge from local offices of the Department of Employment, employment offices and job centres of the Employment Services Agency, or, in due course, from the Commission for Racial Equality, Elliot House, 10-12 Allington Street, London SW1E 5EH. The Act came into force on 13 June 1977.

Gaming Board for Great Britain. Annual Report 1976. HMSO, 90p. ISBN 0 10 225377 3.

Arts Council Grant. Subject to parliamentary approval, the Arts Council of Great Britain will receive a grant-in-aid of £41·7 million for the financial year 1977-78. Of this, £41·2 million is for current expenditure, including grants for the promotion of music, drama, the visual arts and literature; and £500,000 is for the council's Housing the Arts programme which helps to finance the construction of new theatres, concert halls and other buildings. Supply Estimates 1977-78, class X. HMSO, £2·10. ISBN 0 10 278877 4.

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